



Anfield Energy Inc.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(Expressed in Canadian Dollars - unaudited)

Anfield Energy Inc.
Condensed Consolidated Interim Statement of Changes in Equity
(Expressed in Canadian Dollars - unaudited)

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 interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Anfield Energy Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars - unaudited))

	Notes	September 30, 2022	December 31 2021
Assets			
Current Assets			
Cash		\$ 6,302,742	\$ 4,849,174
Receivables		3,251	19,649
Prepays	9	342,985	344,693
Marketable securities	3	44,947	88,368
		6,693,925	5,301,884
Non-current Assets			
Insurance Premium	5	77,334	286,111
Prepaid reclamation bond	4,5	14,559,286	12,677,847
Evaluation and exploration assets	5	15,168,903	13,554,732
		29,805,523	26,518,690
Total Assets		\$ 36,499,448	\$ 31,820,574
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7	220,403	767,654
Due to related parties	9	4,550	146,253
Amounts owing on asset acquisition - current	5	-	22,975,950
		224,953	23,889,857
Long-term liabilities			
Asset retirement obligation	4	24,446,777	22,021,980
Total Liabilities		24,671,730	45,911,837
Equity			
Share capital	8	88,857,160	60,038,239
Stock option reserve	8	7,809,241	4,456,417
Warrant reserve	8	4,337,589	686,698
Foreign exchange reserve	8	153,261	572,020
Deficit		(89,329,533)	(79,844,637)
Total Equity		11,827,718	(14,091,263)
Total Equity and Liabilities		\$ 36,499,448	\$ 31,820,574

Going concern (Note 1) \$ -
Subsequent events (Note 13)

Approved on behalf of the Board of Directors:

"Corey Dias"

Chief Executive Officer

"Joshua Bleak"

Director

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

Anfield Energy Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars - unaudited))

	Notes	For the three months ended		For the nine months ended	
		September 30,	September 30,	September 30,	September 30,
		2022	2021	2022	2021
Expenses					
Exploration and evaluation expenditures	5	\$ 1,057,107	\$ 730,370	\$ 1,934,804	\$ 1,722,390
General and administrative	9	\$ 409,249	356,068	3,611,279	2,030,577
Business development		11,021	-	20,021	5,000
Investor relations		583,458	4,227	611,777	20,179
Share based compensation		3,352,824	1,782,030	3,352,824	1,782,030
(Gain) loss on foreign exchange		(30,709)	(26,630)	(63,127)	- 206,070
		\$ 5,382,950	\$ 2,846,065	9,467,578	5,354,106
Other Items					
Accretion expense for asset retirement obligations	4	\$ (93,376)	\$ (112,244)	\$ (343,838)	\$ (324,669)
Accretion expense for long term debt		-	105,488	-	(343,984)
Unrealized gain (loss) on marketable securities	5	-	1,832	(42,493)	7,243
Write off of accounts payable	3	3,338	-	305,520	-
Other income		94,986	-	94,986	-
Interest expense	5,6	247,145	205,260	(31,493)	596,968
Net loss		\$ (5,130,857)	\$ (3,267,225)	\$ (9,484,896)	\$ (6,612,484)
Other comprehensive loss					
Other comprehensive loss that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		329,191	(294,181)	(418,759)	88,633
Total comprehensive loss		\$ (4,801,666)	\$ (3,561,406)	\$ (9,903,655)	\$ (6,523,851)
Loss per share – basic and diluted		\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.03)
Weighted average shares outstanding		623,858,283	286,086,376	475,833,046	230,207,552

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

Anfield Energy Inc.
Condensed Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars - unaudited))

	Notes	Number of Shares	Amount	Stock Option Reserve	Warrant Reserve	Foreign exchange reserve	Deficit	Total Equity
Balance as at December 31, 2020		172,642,774	\$ 47,181,651	\$ 2,711,927	\$ 511,838	\$ 427,451	\$ (69,979,972)	\$ (19,147,105)
Shares issued - private placement, net share issue cost	8	49,395,296	3,715,699	-	213,286	-	-	3,928,985
Shares issued for bonus	8,9	6,308,126	567,063	-	-	-	-	567,063
Shares issue for consulting	8	4,000,000	340,000	-	-	-	-	340,000
Shares issued for debt	8	741,974	74,197	-	-	-	-	74,197
Shares issued for mineral property	8	5,000,000	800,000	-	-	-	-	800,000
Warrants exercised	8	38,893,681	3,914,002	-	(24,634)	-	-	3,889,368
Comprehensive loss for the period		-	-	-	-	382,814	(3,345,259)	(2,962,445)
Balance as at September 30, 2021		276,981,851	\$ 56,592,612	\$ 2,711,927	\$ 700,490	\$ 810,265	\$ (73,325,231)	\$ (12,509,937)
Balance as at December 31, 2021		309,150,749	\$ 60,038,239	\$ 4,456,417	\$ 686,698	\$ 572,020	\$ (79,844,637)	(14,091,263)
Shares issued - private placement, net share issue cost	8	209,500,000	19,343,396	-	762,703	-	-	20,106,099
Shares for debt		96,272,918	8,664,563	-	2,888,188	-	-	11,552,751
Shares issued for bonus	8,9	5,500,000	467,500	-	-	-	-	467,500
Options issued				3,352,824				3,352,824
Warrants exercised	8	3,434,616	343,462	-	-	-	-	343,462
Comprehensive loss for the period		-	-	-	-	(418,759)	(9,484,896)	(9,903,655)
Balance as at September 30, 2022		623,858,283	88,857,160	\$ 7,809,241	\$ 4,337,589	\$ 153,261	\$ (89,329,533)	\$ 11,827,718

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

Anfield Energy Inc.
Condensed Consolidated Interim Statement of Cash Flows
(Expressed in Canadian Dollars - unaudited)

	For the Nine months ended	
	September, 2022	September 30, 2021
Cash Flows from Operating Activities		
Net loss	\$ (9,141,058)	\$ (6,612,484)
Adjustments for non-cash items:		
Accretion of asset retirement obligation	267,896	212,425
Accretion of long term debt	-	238,496
Foreign exchange	(565,027)	(190,824)
Shares issued for bonuses	467,500	567,063
Shares issued for services	-	340,000
Stockbased Compensation	3,352,824	-
Interest on amounts owing on acquisition	-	391,708
Unrealized (gain) loss on investment	42,493	(5,411)
Changes in non-cash working capital:		
Sales tax receivable	16,398	(37,456)
Prepays and deposits	210,485	330,734
Accounts payable and accrued liabilities	(547,251)	(375,177)
Due to related parties	(141,703)	(613,362)
Net cash flows used in operating activities	\$ (6,037,443)	\$ (5,754,288)
Financing activities		
Proceeds from share issuances, net of issuance costs	20,106,099	3,928,985
Subscription received	-	39,500
Exercise of warrants	343,462	3,889,368
Repayment of amounts owing on asset acquisition	(11,552,750)	-
Promissory note repayment	-	(24,916)
Net cash flow from financing activities	\$ 8,896,811	\$ 7,832,937
Investing activities		
Reclamation deposit	-	(3,115,273)
E&E assets addition	(1,405,800)	-
Net cash flow used in investing activities	\$ (1,405,800)	\$ (3,115,273)
Increase in cash	1,453,568	(1,036,624)
Cash, beginning	4,849,174	1,787,225
Cash, ending	\$ 6,302,742	\$ 750,601

Supplementary Information - Non-Cash Transactions

Sale of Wyoming claims	\$ (6,017,216)	\$ -
Purchase of Colorado claims	\$ 6,017,216	\$ -
Shares issued for mineral property	\$ -	\$ -

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

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Anfield Energy Inc. (the “Company”) is a publicly listed company incorporated in British Columbia on July 12, 1989. The Company’s shares are listed on the TSX Venture Exchange (“TSX.V”) under the symbol “AEC”, the OTCQB Marketplace under the symbol “ANLDF”, and the Frankfurt Stock Exchange under the symbol “OAD”. The Company is engaged in mineral development and production.

The Company’s head office and its registered and records offices are located at Suite 2005, 4390 Grange Street, Burnaby, British Columbia, V5H 1P6.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at September 30, 2022 the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company incurred a loss of \$9,903,655 including stock based compensation of \$3,352,824 during the nine months ended September 30, 2022 and had an accumulated deficit of \$ \$(88,985,695) as at September 30, 2022.

The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration and development activities and its ability to attain profitable operations and generate funds therefrom and or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months through equity financings or the issuance of debt. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position. These 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 as a going concern. Such adjustments could be material.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company and its operations in the future.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

a) BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Therefore, these financial statements comply with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The condensed consolidated interim financial statements do not include all of the information required of full annual financial statements and are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2021.

The condensed consolidated interim financial statements have been prepared on an accrual basis, based on historical costs. The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company’s functional currency.

The policies set out below were consistently applied to all periods presented unless otherwise noted below. These financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value.

b) BASIS OF CONSOLIDATION

These consolidated financial statements comprise the accounts of the Company and its wholly-owned subsidiaries Equinox Exploration Holding Corp. (“EQX US”), Anfield Resources Holding Corp. (“ARC”), ARH Wyoming Corp. (“ARH Wyoming”), Highbury Resources Corp. (“Highbury”) and Anfield Precious Metals Inc. (“APMI”).

c) SIGNIFICANT MANAGEMENT JUDGMENT AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Areas requiring a significant degree of estimation and judgment relate to the determination of the recoverability of the carrying value of property, plant and equipment and exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, purchase price allocation and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

c) SIGNIFICANT MANAGEMENT JUDGMENT AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- Whether there are indicators of impairment of the Company's property, plant and equipment and exploration and evaluation assets; and
- The determination of future unfulfilled conditions or other contingencies which may result in a liability.

d) ACCOUNTING STANDARDS

Accounting standards not yet effective

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023 and are expected to have no impact on the Company.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. MARKETABLE SECURITIES

Marketable securities consist of 4,000,000 shares of GTI Resources Limited ("GTI"), an Australian company listed on the Australian Securities Exchange, received upon the sale of two Utah leases (Note 5). The shares were received in two tranches, 2,000,000 GTI shares during the year ended December 31, 2020 initially recorded at a fair value of \$39,488 (AUD \$42,000) and 2,000,000 GTI shares during the year ended December 31, 2021 initially recorded at a fair value of \$53,389 (AUD \$58,000). During the nine months ended September 30, 2022, the Company recorded an unrealized loss of \$43,421 (2021: unrealized gain \$7,243) and gain on foreign exchange difference of \$3,757 (2021: loss \$2,318) relating to the investment in GTI. The fair value of the shares at September 30, 2022 is \$44,947 (AUD \$48,000) ((December 31, 2021: \$88,368 (AUD \$96,000)).

4. ASSET RETIREMENT OBLIGATIONS

Laws and regulations concerning environmental protection affect the Company's exploration and operations. Under current regulations, the Company is required to meet performance standards to minimize environmental impact from its activities and to perform site restoration and other closure activities. The Company's provision for future site closure and reclamation costs is based on known requirements.

4. ASSET RETIREMENT OBLIGATIONS (CONTINUED)

a) SHOOTARING MILL

During the year ended December 31, 2021, the Company revised the asset retirement costs for the Shootaring Mill and recorded a change in estimate for \$2,122,238 (US\$1,673,955). The change in estimate was recorded as an increase to asset retirement obligation and an impairment of the full incremental was recognized.

The Company's determination of the environmental rehabilitation provision arising from the Shootaring Mill (Note 5) acquisition at September 30, 2022 was \$19,254,631 (US\$13,779,260) (December 31, 2021: \$17,273,463 (US\$13,624,754)). This estimate was based upon an undiscounted future cost of \$24,412,755 (US\$18,735,647) ((2021: \$23,753,054 (US\$18,735,647)), an annual inflation rate of 3% and risk adjusted discount rate of 2.30%. The closure and reclamation expenditure is expected to be incurred in 2035.

A continuity of the Company's provision for site reclamation and closure is as follows:

Balance, December 31, 2020	\$	14,873,662
Accretion		336,839
Change in asset retirement cost		2,122,238
Foreign exchange		(59,276)
Balance, December 31, 2021	\$	17,273,463
Accretion		298,040
Foreign exchange		1,683,128
Balance, June 30, 2022	\$	19,254,631

b) WEST SLOPE PROJECT

During the year ended December 31, 2021, the Company revised the asset retirement obligation costs for the West Slope Project and recorded a change in estimate for \$398,823 (US\$314,579). The change in estimate was recorded as increase to evaluation and exploration assets and increase to asset retirement obligation.

The Company's determination of the environmental rehabilitation provision arising from the West Slope Project (Note 5) acquisition at September 30, 2022 was \$4,890,110 (US\$3,557,302) (December 31, 2021: \$4,459,376 (US\$3,517,414)). This estimate was based upon an undiscounted future cost of \$6,376,529 (US\$4,948,416) ((2021: \$6,273,602 (US\$4,948,416)), an annual inflation rate of 3% and risk adjusted discount rate of 2.30%. The closure and reclamation expenditure is expected to be incurred in 2036.

On February 20, 2020, the Company signed a bonding agreement with Cotter, whereby Cotter issued a Letter of Credit (the "LOC") as required by applicable Government entities to facilitate the Company to obtain Replacement Surety Bonds (the "Bonds") for US\$2,400,000 (the "Principal") in connection to the West Slope Project. On or before the one-year anniversary date of the agreement (the "Anniversary Date"), the Company was required to pledge sufficient security under the Bonds to obtain the release of the LOC and pay US\$360,000 ("Replacement Fee"), equal to 15% of the Principal to Cotter. During the year ended December 31, 2021, the Company lifted the LOC issued by Cotter by

Anfield Energy Inc.
Notes to Condensed Consolidated Interim Financial Statements
For the nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars - unaudited)

making a cash collateral payment of US\$1,200,000 (\$1,550,260) to cover the entire US\$2,400,000 reclamation bond amount and US\$360,000 (\$453,708) payment for the Replacement Fee.

A continuity of the Company's provision for site reclamation and closure is as follows:

Balance, December 31, 2020	\$ 3,986,168
Accretion	90,273
Change in asset retirement cost	398,823
Foreign exchange	(15,888)
Balance, December 31, 2021	\$ 4,459,376
Accretion	76,947
Foreign exchange	353,787
Balance, September 30, 2022	\$ 4,890,110

c) PAPOOSE PROPERTY

During the year ended December 31, 2021, the Company revised the asset retirement obligation costs for the Papoose Property and recorded a change in estimate for \$18,331 (US\$14,459). The change in estimate was recorded as an increase to property and equipment and increase to asset retirement obligation.

The Company's determination of the environmental rehabilitation provision arising from the Papoose property (Note 5) acquisition at September 30, 2022 was \$302,036 (US\$230,650) (December 31, 2021: \$289,141 (US\$228,064)). This estimate was based upon an undiscounted future cost of \$368,965 (US\$286,330) ((2021: \$363,009 (US\$286,330)), an annual inflation rate of 3% and risk adjusted discount rate of 2.30%. The closure and reclamation expenditure is expected to be incurred in 2031.

Balance, December 31, 2020	\$ 265,848
Accretion	6,020
Change in asset retirement cost	18,331
Foreign exchange	(1,058)
Balance, December 31, 2021	\$ 289,141
Accretion	4,990
Foreign exchange	7,905
Balance, Sept 30, 2022	\$ 302,036

Anfield Energy Inc.
Notes to Condensed Consolidated Interim Financial Statements
For the nine months ended September 30, 2022 and 2021
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5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS

As at September 30, 2022, the Company held interests in uranium exploration properties in Utah and Arizona ("Uranium Properties"); uranium/vanadium properties in Colorado known as the West Slope and Slick Rock Projects as well as a gold project in Arizona also known as Newsboy Project.

The following exploration and evaluation expenditures were included in comprehensive loss for the nine months ended September 30, 2022 and 2021 are as follow:

	Newsboy	West Slope	Slick Rock	Total
Consulting	\$ -	\$ 138,049	\$ 111,881	\$ 249,930
Sundry field	-	110,992	200,272	311,264
License, filing and insurance	1,815	118,749	220,365	340,929
Total for the period ended September 30, 2022	\$ 1,815	\$ 367,790	\$ 532,517	\$ 902,122

	Newsboy	Highbury	Uranium Properties	Total
Consulting	\$ -	\$ 103,225	\$ 120,215	\$ 223,440
Sundry field	-	7,972	28,848	36,819
License, filing and insurance	-	345,647	430,076	775,723
Total for the period ended September 30, 2021	\$ -	\$ 456,844	\$ 579,138	\$ 1,035,982

NOTE – THE Highbury property noted in 2021, consisted of the West Slope and Charlie properties, collectively referred to as the Highbury property. The Charlie together with the Uranium properties were traded for the Slick Rock property noted in 2022.

URANIUM PROPERTIES

UTAH PROPERTIES

On August 27, 2015, amended November 23, 2017, the Company closed an Asset Purchase Agreement and amendments, with Uranium One Americas Inc. ("Uranium One") to acquire the Shootaring Canyon uranium mill (the "Shootaring Mill") located in Utah, and a portfolio of conventional uranium assets including: Shootaring Mill, Velvet-Wood Project, Frank M Project, Wate and Findlay Tank Breccia Pipes, royalty portfolio and surface stockpiles. Considerations included cash and share payments totalling US\$7,500,000 to be paid to Uranium One and U.S. Energy Corp. ("US Energy").

5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS (CONTINUED)

URANIUM PROPERTIES

Pursuant to the agreement, the Company was required to make additional payments to US Energy of US\$5,000,000 in cash to be released as follows:

- (i) US\$2,500,000 to be paid upon 18 months of continuous commercial production;
- (ii) US\$2,500,000 to be paid upon 36 months of continuous commercial production.

URANIUM ONE – USD \$5,000,000

The Company issued a total of up to USD \$1,000,000 in shares to Uranium One and is to pay a total of up to USD \$4,000,000 cash consideration as follows:

- (i) US\$500,000 in shares due at closing August 27, 2015 (issued);
- (ii) US\$500,000 in shares issued on August 27, 2016 (issued);
- (iii) US\$1,000,000 (\$1,254,000) in cash on July 1, 2017 (paid);
- (iv) US\$1,000,000 (\$1,267,800) in cash paid earlier of January 31, 2018 or restart of commercial production; and
- (v) US\$2,000,000 (\$2,535,600) in cash paid earlier of July 1, 2019 or restart of commercial production.

The US\$1,000,000 payment due on January 31, 2018 has not been made. In accordance with the amendment, interest will be accrued from July 1, 2017 to March 1, 2018 at a rate of 4.95% per annum and 5.95% per annum from March 2, 2018 until payment is made in full. In May 2018, Anfield and Uranium One entered into an Agreement extension in which the US\$1,000,000 payment and related interest would be deferred until July 1, 2019. Further on July 1, 2019, Anfield and Uranium One entered into a subsequent Agreement extension in which the payment due will be deferred for an additional period of 90 days to September 30, 2019. During the year ended December 31, 2021 the loan was transferred to Uranium Energy Corp. (“UEC”) after UEC acquired Uranium One Americas Inc. (“U1A”). In

April 2022, the Company entered into a settlement agreement for the outstanding debt owed to UEC and the consolidated loan was paid in full on June 6, 2022. During the nine months ended September 30, 2022, the Company recorded interest expense of US\$18,258 (\$23,090) ((2021: US\$29,505 (\$36,793)) with respect to the US\$1,000,000 cash payment. On June 6, 2022, the Company settled the US\$1,000,000 (\$1,259,700) payment and accrued interest of US\$260,984 (\$328,762).

The US\$2,000,000 payment due on July 1, 2019 has not been made. On July 1, 2019, the Company and Uranium One entered into an Agreement extension in which the payment due will be deferred for 90 days until September 30, 2019 and will accrue 5.95% per annum from July 1, 2019 until payment is made in full. During the year ended December 31, 2021 the loan was transferred to Uranium Energy Corp. (“UEC”) after UEC acquired Uranium One Americas Inc. (“U1A”). In April 2022, the Company entered into a settlement agreement for the outstanding debt owed to UEC and the consolidated loan was paid in full on June 6, 2022. During the nine months ended September 30, 2022, the Company recorded interest expense of US\$36,515 (\$46,181) ((2021: US\$59,011 (\$73,587)) with respect to the US\$2,000,000 cash payment. On June 6, 2022, the Company settled the US\$2,000,000 (\$2,519,400) payment and accrued interest of US\$333,852 (\$420,553).

5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS (CONTINUED)

URANIUM PROPERTIES (CONT'D)

UTAH PROPERTIES (CONT'D)

During the year ended December 31, 2016, the Company and Uranium One had confirmed a payment due related to the overall reclamation bond value at the time of the closing of the 2015 Shootaring Mill acquisition. The clarification confirmed an obligation to pay Uranium One US\$570,362 (\$723,105) on August 27, 2017 which became due and payable on January 31, 2018. The US\$570,362 payment due on January 31, 2018 has not been made. In accordance with the amendment, interest was accrued from August 27, 2017 to March 1, 2018 at a rate of 4.95% per annum and is currently accrued at 5.95% per annum from March 2, 2018 until repayment. In May 2018 Anfield and Uranium One entered into an Agreement extension in which the US\$570,362 payment and related interest would be deferred until July 1, 2019. Further on July 1, 2019, Anfield and Uranium One entered into a subsequent Agreement extension in which the payment due will be deferred for an additional period of 90 days until September 30, 2019. During the year ended December 31, 2021 the loan was transferred to Uranium Energy Corp. ("UEC") after UEC acquired Uranium One Americas Inc. ("U1A"). In April 2022, the Company entered into a settlement agreement for the outstanding debt owed to UEC and the consolidated loan was paid in full on June 6, 2022.

During the nine months ended September 30, 2022, the Company recorded interest expense of US\$10,413 (\$13,170) ((2021: US\$16,829 (\$20,986)) with respect to the US\$570,362 payment. On June 6, 2022, the Company settled the US\$570,362 (\$718,485) payment and accrued interest of US\$154,860 (\$195,077).

US ENERGY – USD \$2,500,000

Concurrent with the abovementioned agreement, the Company, Uranium One and US Energy entered into an Amended Assignment and Assumption Agreement whereby the Company assumed the obligations of Uranium One relative to Uranium One's agreements with US Energy under revised terms negotiated between the Company and US Energy. The Company issued total of US\$2,500,000 in shares to US Energy during three years period from 2015 to 2017 as per stated terms of the agreement.

RECLAMATION BONDS

The Company is required to obtain replacement bonds to meet reclamation requirement of USD\$9,346,014 in connection with the Shootaring Mill acquisition. Uranium One provided a cash collateral in the amount of US\$7,075,807 to cause the issuance of the replacement bonds. The collateral deposit was originally not recorded in the Company's assets as the cash collateral was provided by Uranium One. During the year ended December 31, 2021, the reclamation bond for Shootaring Mill increased to US\$11,474,470 and Anfield was required to increase the bond collateral by US\$1,460,000 (\$1,850,000). The Company prepaid the 3% annual bond premium of US\$338,513 as insurance, which would create an obligation for the surety company to cover the difference between the bond requirement and the cash collateral. The bond premium is amortized over one year. As at September 30, 2022, US\$56,419 (\$72,702) ((December 31, 2021: US\$225,675 (\$286,111)) was recorded in insurance premium for the reclamation bond requirements.

5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS (CONTINUED)

URANIUM PROPERTIES (CONT'D)

RECLAMATION BONDS (CONT'D)

In accordance with the amendment signed November 23, 2017, the Company entered into a five-year promissory note with Uranium One for the cash collateral. Interest on the promissory note has been accrued since July 1, 2017. During the nine months ended September 30, 2022, the Company recorded interest expense of US\$129,187 (\$163,383) ((2021: US\$208,775 (\$260,343)) with respect to the US\$7,075,807 cash collateral posted by Uranium One. On June 6, 2022, the Company settled to US\$7,075,807 cash collateral and accrued interest of US\$1,927,944 (\$2,428,631).

On July 1, 2019, the Company and Uranium One entered into a subsequent Agreement in which the cash collateral was rolled into one promissory note with the abovementioned outstanding principal balances due to UEC, with a total principal of US\$10,646,169 (\$13,303,453) bearing interest at 5.95% per annum until repaid. During the year ended December 31, 2021, the Company paid cash US\$1,460,000 (\$1,779,240) and recorded US\$252,072 (\$315,972) as other income for an increase in cash collateral. As at September 30, 2022, the Company recorded the cash collateral of US\$8,787,879 (\$10,981,334) ((December 31, 2021: US\$8,787,879 (\$11,324,061)) as prepaid reclamation bond. In April 2022, the Company entered into a settlement agreement for the outstanding debt owed to UEC and the consolidated loan was paid in full on June 6, 2022.

LEASES AND CLAIMS SALE

On September 30, 2020, the Company entered into a Binding Term Sheet Agreement to sell 2 Utah leases (the "Tenements") with GTI Resources Limited (the "Buyer"), an Australian company listed on the Australian Securities Exchange. The sale was completed on October 26, 2020 with the consideration to be received in two tranches. In the first tranche, the Buyer paid US\$100,000 (CAD\$134,150) and issued 2,000,000 common shares to the Company with fair value of \$39,448. In the second tranche, the Buyer paid US\$100,000 and issued 2,000,000 common shares to the Company with fair value of \$53,389 during the year ended December 31, 2021 (Note 3). The Buyer granted to the Company 1% royalty equal to 1% of all material extracted and sold from the Tenements. The sale of the lease has been recorded against the cost of evaluation, exploration and development assets.

5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS (CONTINUED)

WYOMING PROPERTIES

On August 23, 2016, the Company entered into a Leases and Claims Transfer Agreement with Uranium One to acquire 24 uranium mining properties in Wyoming. Under the term of the leases and claims transfer agreement, the Company agreed to pay total consideration of US\$6,550,000 as follows:

- (i) On execution of agreement US\$450,000 (paid \$613,890);
- (ii) On December 29, 2017 US\$300,000 (paid \$409,260);
- (iii) On 2nd anniversary of closing US\$750,000 (paid \$1,023,150);
- (iv) On 3rd anniversary of closing US\$750,000 (paid \$99,428 (US\$75,000) and US\$675,000 (\$850,298);
- (v) On 4th anniversary of closing US\$1,500,000 (paid \$1,889,550); and
- (vi) On 5th anniversary of closing US\$2,800,000 (paid \$3,527,160).

In April 2022, the Company entered into a settlement agreement for the outstanding debt owed to UEC and the consolidated loan was paid in full on June 6, 2022. In addition, the Uranium Properties in Wyoming were included in the asset swap with UEC and the Company recorded a disposition of US\$3,908,064 (\$4,910,092).

AMOUNTS OWING ON ASSET ACQUISITION

In April 2022, the Company entered into a settlement agreement with UEC with regard to US\$18.34 million obligation which was owed to U1A and is currently owed to UEC. The settlement consists of US\$9.17 million in cash and US \$9.17 million in securities of the Company (Note 8). In addition, the Company completed an asset swap to exchange certain of its properties in Wyoming for properties of UEC.

A continuity of the amounts owing is as follows:

Balance, December 31, 2020	\$ 21,919,349
Interest	791,851
Accretion	343,984
Foreign exchange	(79,234)
Balance, December 31, 2021	22,975,950
Interest	277,316
Payment - shares	(11,552,750)
Payment - cash	(11,552,750)
Foreign exchange	(147,766)
Balance, September 30, 2022	\$ -

5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS (CONTINUED)

WEST SLOPE PROJECT

On December 28, 2018, the Company signed an Asset Purchase Agreement (the “Agreement”) to acquire both the Charlie ISR Uranium Project (“Charlie Leasehold”) and nine past-producing uranium/vanadium properties in Colorado, collectively known as the West Slope Project, from Cotter Corporation (the “Seller”), in exchange for 11,051,775 common shares of the Company. Included in this acquisition, the Company also received the Papoose Quarry property, which is not core to the Company’s current operations. The closing date of the transaction was February 28, 2019.

COLORADO PROPERTIES

On June 6, 2022, the Company completed an asset swap to exchange uranium properties and the Charlie Leasehold in Wyoming for Slick Rock Project and Long Park properties in Colorado of UEC.

The Company recorded US\$4,789,252 (\$6,017,216) as an acquisition cost of the acquired uranium/vanadium Colorado properties and disposed US\$3,908,064 (\$4,910,092) in Uranium Properties in Wyoming and US\$881,188 (\$1,107,124) in Charlie Leasehold in Wyoming.

NEWSBOY GOLD PROJECT, ARIZONA

On November 30, 2020, the Company entered into a Leases and Claims Transfer Agreement (the “Agreement”) to acquire the Newsboy Gold Project (“Newsboy Project”) located in Arizona, USA. The Company issued 5,000,000 common shares (issued) (Note 8), made cash payments of US\$625,000, was to incur exploration expenditures of US\$3,000,000 and bring the Newsboy Project into production within 48 months of closing. The closing date of the transaction was June 10, 2021. The Newsboy Project is subject to a 2% net smelter returns royalty on commercial production. The Company incurred \$50,000 of cash transaction cost.

In March 2022, the Company entered into a settlement agreement and an amendment agreement for the Newsboy project. Upon cash payment of US\$750,000 to transferor, 1% of the NSR royalty was bought back by the Company, and the Company’s work commitments, resource milestones, and production milestone requirements were waived.

During the year ended December 31, 2021, the Company paid US\$12,000 (\$14,753) to the Government authorities for a reclamation bond. The full amount of the reclamation deposit is held by the regulatory authorities and will be released to the Company on satisfactory restoration of the property.

6. PROMISSORY NOTE

During the year ended December 31, 2016, the Company entered into a promissory note agreement with U.S Energy to purchase mining data in Wyoming, Utah, and Colorado. On March 18, 2021, the Company made the final payment of the outstanding principal of the Promissory Note with U.S. Energy in the amount of \$24,916 (US\$20,000).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2022	December 31, 2021
Trade payables	\$ 220,403	\$ 767,654
Accrued liabilities	4,550	146,253
	\$ 224,953	\$ 913,907

8. SHARE CAPITAL

AUTHORIZED SHARE CAPITAL

Unlimited number of common shares without par value.

ISSUED SHARE CAPITAL

As at September 30, 2022, the Company had 623,858,283 (December 31, 2021: 309,150,749) issued and fully paid common shares.

SHARES FOR MINERAL PROPERTIES

During the nine months ended September 30, 2022

On June 22, 2021, the Company issued 5,000,000 common shares with a fair value of \$800,000 pursuant to the Newsboy Project acquisition (Note 5).

PRIVATE PLACEMENTS

During the nine months ended September 30, 2022

On February 23, 2022, the Company closed an initial tranche of the private placement through the issuance of 18,039,480 units at \$0.085 per unit for proceeds of \$1,533,356. Each unit consisted of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$0.13 for a period of two years. In connection with the first tranche of the private placement, the Company issued 502,133 finder's warrants with the same terms as those issued for the private placement. The finder's warrants have a fair value of \$22,707 which was recorded as share issue cost. The fair value was determined using the Black-Scholes Option Pricing Model with the following assumptions: Risk free rate of 1.11%; Expected life of 2 years; Expected volatility of 132% and dividend yield of \$Nil.

On March 31, 2022, the Company closed the second tranche of the private placement through the issuance of 66,460,520 units at \$0.085 per unit for total proceeds of \$5,649,144. Each unit consisted of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$0.13 for a period of two years. In connection with both tranches of the private placement, the Company paid cash finder fee in the amount of \$371,520 and incurred other share issue costs of \$46,777. In connection with the second tranche of the private placement, the Company issued 4,221,631 finder's warrants with the same terms as those issued for the private placement. The finder's warrants have a fair value of \$358,067 which was recorded as share issue cost. The fair value was determined using the Black-Scholes Pricing Model with the following assumptions: Risk free rate of 1.14%, Expected life of 2 years; Expected volatility of 132% and dividend yield on \$Nil.

On May 12, 2022 (the Closing Date), the Company closed a bought deal private placement of 125,000,000 subscription receipts of the Company at a price of \$0.12 per subscription receipt for gross proceeds of \$15,000,000. The gross proceeds, less 50% of the Underwriter's aggregate cash commission and all of the Underwriter's expenses, were held in escrow pending satisfaction of certain conditions. The conditions among others included the satisfaction or waiver of each of the condition's precedent to the transactions with UEC (discussed above) and the receipt of all required regulatory approvals in connection with the transactions of the offering.

8. Share Capital – PRIVATE PLACEMENTS (CONTINUED)

Upon satisfaction of the escrow release conditions, on June 6, 2022, each subscription receipt automatically converted into one unit of the Company. Each unit consisted of one common share of the Company and one common share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$0.18 for a period of five years from the Closing Date.

In connection with the Offering, the Company incurred other share issue costs of \$258,102, the Underwriters received a cash fee of \$900,000, a success fee of \$500,000, and received 7,500,000 compensation options of the Company which will entitle the Underwriters to purchase one common share of the Company at an exercise price of \$0.12 for a period of two years from the Closing Date. The compensation options have a fair value of \$381,930 which was recorded as share issue cost. The fair value was determined using the Black-Scholes Pricing Model with the following assumptions: Risk free rate of 2.60%, Expected life of 2 years; Expected volatility of 122% and dividend yield on \$Nil.

During the nine months ended September 30, 2021

On May 14, 2021, the Company closed a non-brokered private placement through issuance of 49,395,296 units at \$0.085 per unit for total proceeds of \$4,198,600. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$0.13 for a period of two years. In connection with the private placement, the Company paid cash finder fee in the amount of \$231,830, incurred other share issue costs of \$37,787 and issued 2,639,907 finder's warrants with the same terms as those issued for the private placement. The finder's warrants have a fair value of \$213,286 which was recorded as share issue cost. The fair value was determined using the Black-Scholes Pricing Model with the following assumptions: Risk free rate of 0.32%, Expected life of 2 years; Expected volatility of 124% and dividend yield on \$Nil.

SHARES ISSUED FOR CASH

During the nine months ended September 30, 2022

During the period ended September 30, 2022, 3,434,616 share purchase warrants were exercised at an average price of \$0.10 per share for gross proceeds of \$343,462.

During the nine months ended September 30, 2021

During the period ended September 30, 2021, 38,893,681 share purchase warrants were exercised at \$0.10 per share for gross proceeds of \$3,889,368.

SHARES FOR BONUS

During the nine months ended September 30, 2022

The Company issued 5,500,000 common shares with a fair value of \$476,500 to settle management bonus issued during the period.

During the nine months ended September 30, 2021

The Company issued 6,308,126 common shares with a fair value of \$567,063 to settle management bonus issued during the period.

SHARES FOR SERVICES

During the nine months ended September 30, 2021

The Company issued 4,000,000 common shares with a fair value of \$340,000 for consulting services during the period.

8. SHARE CAPITAL CONTINUED)

SHARES FOR DEBT

During the nine months ended September 30, 2022

In April 2022, the Company entered into a settlement agreement with UEC with regard to US\$18.34 million obligation which was owed to U1A and on June 6, 2022, the Company has completed the settlement. The settlement consists of US\$9,171,033 (\$11,552,750) in cash and 96,272,918 units of the Company with deemed value of US\$9,171,033 (\$11,552,750). Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$0.18 for a period of five years. The common shares of the unit are valued at fair market price of \$8,664,563 and warrants issued were valued at \$2,888,187 based on the residual value method.

During the nine months ended September 30, 2021

The Company issued 741,974 common shares with a fair value of \$74,197 to settle outstanding payables. No gain or loss on settlement was recorded.

WARRANTS

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise price
Balance at December 31, 2020	144,191,956	0.20
Warrants granted	60,285,203	0.13
Warrants exercised	(73,187,679)	0.10
Warrants expired	(11,847,700)	0.10
Balance at December 31, 2021	119,441,780	0.20
Warrants granted	315,996,682	0.17
Warrants exercised	(3,434,616)	0.10
Warrants expired	(14,645,303)	0.30
Balance at September 30, 2022	417,358,543	0.19

8. SHARE CAPITAL (CONTINUED)

Details of warrants outstanding as at September 30, 2022 are as follows:

Number of warrants outstanding	Exercise Price	Expiry
886,615	\$0.17	04-Oct-22
18,032,479	\$0.10	22-Dec-22
54,967,555	\$0.13	14-May-23
19,975,212	\$0.40	20-Jul-23
18,541,613	\$0.13	23-Feb-24
76,182,151	\$0.13	07-Mar-24
7,500,000	\$0.12	12-May-24
125,000,000	\$0.18	12-May-27
96,272,918	\$0.18	12-May-27
417,358,543		

At September 30, 2022, the weighted average life of warrants was 3.18 years.

In July 2021, the Company reduced the exercise price from \$1.00 per share to \$0.165 per share of 3,499,476 share purchase warrants and 1,106,615 share purchase warrants both issued as part of a unit in private placements expiring on July 16, 2022 and October 4, 2022 respectively.

STOCK OPTIONS

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX.V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to a maximum of five years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all investor relation activities and consultants will not exceed two percent (2%) of the issued and outstanding common shares.

8. SHARE CAPITAL – (CONTINUED)

Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company or 30 days following cessation of an optionee conducting investor relations activities’ position. With the exception of options granted for investor relations, all options granted typically vest on the grant date.

The following table summarizes the continuity of the Company’s stock options:

	Number of Options	Weighted Average Exercise Price
Balance December 31, 2020	13,002,000	\$ 0.12
Granted	14,750,000	0.12
Exercised	(675,000)	0.10
Balance December 31, 2021	27,077,000	\$ 0.12
Granted	35,308,828	0.10
Balance September 30, 2022	62,385,828	\$ 0.12

The weighted average remaining life of the outstanding options at September 30, 2022 was 4.1 years.

Details of options outstanding and exercisable as at September 30, 2022 are as follows:

Number of options outstanding and exercisable	Exercise price	Expiry Date
3,717,000	0.10	August 8, 2023
3,210,000	0.20	July 12, 2024
5,400,000	0.10	August 28, 2025
14,750,000	0.12	August 27, 2026
35,308,828	0.10	September 20, 2027
62,385,828		

RESERVES

Stock options reserve

The stock options reserve records items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised and cancelled, the amount recorded is transferred to deficit.

Warrants reserve

The warrants reserve records fair value of the warrants issued for services until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Foreign exchange reserve

Anfield Energy Inc.
Notes to Condensed Consolidated Interim Financial Statements
For the nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars - unaudited)

The foreign exchange reserve recognizes the foreign exchange differences resulting from translation of group entities to the presentation currency that have a different functional currency than the presentation currency.

9. RELATED PARTY TRANSACTIONS AND BALANCES

a) Related Party Balances

As at September 30, 2022, an amount of \$4,550 (December 31, 2021: \$146,253) was owed to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As at September 30, 2022, an amount of \$75,000 (December 31, 2021: \$300,000) was recorded in prepaid expenses for future consulting fees to a director of the Company.

b) Related Party Transactions

The Company incurred the following transactions with companies that are controlled or managed by directors of the Company:

	For the three months ended		For the nine months ended	
	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
Consulting fees and management bonus (i)	\$11,600	\$12,900	\$88,400	\$51,800

Key management compensation:

	For the three months ended		For the nine months ended	
	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
Consulting fees and management bonus (i)	\$324,059	\$108,750	\$2,024,293	\$867,303
Share issue cost	—	—	2,850	8,000
Legal fees (i)	30,671	40,305	46,645	114,669
	\$354,730	\$149,055	\$2,070,938	\$989,972

(i) These expenses are included in general and administrative expenses in the statement of comprehensive loss.

10. SEGMENTED INFORMATION

The Company's exploration and evaluation assets by geographical areas as at September 30, 2022 and December 31, 2021 are located in United States.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the evaluation and exploration of its mineral exploration properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of share capital as well as 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 its capital structure, the Company may issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and short-term investments. In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company is not subject to any externally imposed capital requirements. There were no changes during the year to management's approach to capital management. The Company's investment policy is to invest its excess cash in highly liquid investments that are readily convertible into cash with maturities of three months or less from the original date of acquisition or when it is needed, selected with regards to the expected timing of expenditures from continuing operations.

12. FINANCIAL INSTRUMENTS

a) Fair value

The carrying values of cash, subscription receivables, accounts payable and due to related parties, and amounts owing on asset acquisition, promissory notes approximate their fair values due to the relatively short period to maturity of those financial instruments. Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices 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 that are not based on observable market data.

As at September 30, 2022, the financial instruments recorded at fair value on the statement of financial position are cash and marketable securities which are measured using Level 1.

b) Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	September 30, 2022	December 31, 2021
Fair value through profit and loss:		
Cash	\$ 6,302,742	\$ 4,849,174
Marketable securities	44,947	88,368
	\$ 6,347,689	\$ 4,937,542

12. FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2022	December 31, 2021
Non-derivative financial liabilities:		
Accounts payable	\$ 220,403	\$ 767,654
Amounts owing on asset acquisition	-	22,975,950
Due to related parties	4,550	146,253
	<u>\$ 224,953</u>	<u>\$ 23,849,857</u>

FINANCIAL RISK MANAGEMENT

CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is high credit quality financial institutions as determined by rating agencies.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's debt is subject to a fixed interest rate; therefore, it does not expose to interest rate risk.

12. FINANCIAL INSTRUMENTS (CONTINUED)

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The foreign currency risk for the Company is low as the foreign currencies held are in the functional currency of the entities. The Company is exposed to foreign currency risk on the amounts owing on the asset acquisition which are denominated in US dollars.

COMMODITY RISK

Commodity risk is the risk that the value of future cash flows and profits will fluctuate based on the prices of commodities. The Company is exposed to changes in the price of commodities. Changes in the price of commodities will impact the Company's ability to obtain financing to explore its mineral properties.

As at September 30, 2022, the Company has no contracts or agreements in place to mitigate these price risks.

13. SUBSEQUENT EVENT

October 4, 2022 – 888,615 share purchase warrants exercisable at an average price of \$0.165 per share expired unexercised.

November 17, 2022 – announced that it had entered into a royalty purchase agreement, dated November 17, 2022, with Uranium Royalty (USA) Corp. ("URC"), a wholly-owned subsidiary of Uranium Royalty Corp., in which Anfield has agreed to sell its uranium royalty portfolio to URC in consideration of a one-time cash payment of US\$1,500,000.