



NORTHERNSHIELD
RESOURCES INC.

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

(unaudited and expressed in Canadian Dollars)

For the three and nine-month periods ended September 30, 2022, and 2021

[Note: an auditor has not reviewed these unaudited interim financial statements]



Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

	<u>PAGE</u>
Consolidated Statements of Financial Position	1
Consolidated Statements of Comprehensive Loss	2
Consolidated Statements of Changes in Equity	3
Consolidated Statements of Cash Flows	4
Notes to the Consolidated Financial Statements	5 - 18



NORTHERN SHIELD RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
as at September 30, 2022 and December 31, 2021
(unaudited and expressed in Canadian Dollars)

	September 30,	December 31,
<i>As at</i>	2022	2021
	(unaudited)	(unaudited)
CURRENT ASSETS		
Cash	\$ 50,367	\$ 301,621
Amounts receivable	18,500	159,400
Prepaid expenses	72,956	72,101
	141,823	533,122
INVESTMENT IN SHARES	833	833
MINERAL PROPERTIES (Note 3)	5,249,579	5,115,301
PROPERTY AND EQUIPMENT (Notes 4 & 5)	52,609	60,727
	\$ 5,444,844	\$ 5,709,983
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 484,554	\$ 313,986
Deferred flow-through premium liability (Note 6)	20,028	20,028
	504,582	334,014
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	32,446,586	32,441,153
Reserves	4,494,326	4,502,259
Deficit	(32,000,650)	(31,567,443)
	4,940,262	5,375,969
	\$ 5,444,844	\$ 5,709,983

Nature of operations and going concern (Note 1)

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

APPROVED BY THE BOARD

/s/ Ian C. Bliss
Director

/s/ Russell M. Richards
Director



NORTHERN SHIELD RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Statements of Comprehensive Loss
for the three and nine-month periods ended September 30, 2022 and 2021
(unaudited and expressed in Canadian Dollars)

	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(3 months) (Unaudited)	(3 months) (Unaudited)	(9 months) (Unaudited)	(9 months) (Unaudited)
Expenses				
Property investigation	\$ -	\$ 147	\$ -	\$ 6,885
Property write-downs (Note 3)	-	-	8,994	-
General and administrative (Note 9)	164,695	139,866	427,690	506,715
Loss before other income (expenses)	164,695	140,013	436,684	513,600
Other income (expenses)				
Other income	2,754	-	3,477	144,025
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ 161,941	\$ 140,013	\$ 433,207	\$ 369,575
Weighted average common shares outstanding	58,336,705	56,150,563	58,336,705	56,045,517
Basic and diluted loss per share (Note 8)	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01

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



NORTHERN SHIELD RESOURCES INC.
(An Exploration Stage Company)
 Condensed Interim Statements of Changes in Equity
 for the nine-month periods ended September 30, 2022 and 2021
(unaudited and expressed in Canadian dollars)

	Share Capital		Reserves			Total
	Number of Shares	Amount	Share-based Payments	Warrants	Deficit	
Balance at January 1, 2021	55,977,538	\$ 31,842,992	\$ 4,463,423	\$ 41,541	\$ (31,334,404)	\$ 5,013,552
Shares issued for property option	80,000	32,000	-	-	-	32,000
Shares issued by flow-through placement	2,279,167	709,333	-	-	-	709,333
Allocation of value to warrants	-	(57,563)	-	57,563	-	-
Flow-through premium liability	-	(81,979)	-	-	-	(81,979)
Share issue costs	-	(24,680)	-	5,320	-	(19,360)
Expiry of warrants	-	31,875	-	(31,875)	-	-
Loss for the period	-	-	-	-	(369,575)	(369,575)
Balance at September 30, 2021	58,336,705	32,451,978	4,463,423	72,549	(31,703,979)	5,283,971
Allocation of value to warrants	-	31,980	-	(31,980)	-	-
Flow-through premium liability	-	(31,980)	-	-	-	(31,980)
Share issue costs	-	(12,558)	-	-	-	(12,558)
Expiry of warrants	-	1,733	-	(1,733)	-	-
Loss for the period	-	-	-	-	136,536	136,536
Balance at December 31, 2021	58,336,705	32,441,153	4,463,423	38,836	(31,567,443)	5,375,969
Share issue costs	-	(2,500)	-	-	-	(2,500)
Expiry of warrants	-	7,933	-	(7,933)	-	-
Loss for the period	-	-	-	-	(433,207)	(433,207)
Balance at September 30, 2022	58,336,705	\$ 32,446,586	\$ 4,463,423	\$ 30,903	\$ (32,000,650)	\$ 4,940,262

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



NORTHERN SHIELD RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
for the nine-month periods ended September 30, 2022 and 2021
(unaudited and expressed in Canadian Dollars)

	September 30 2022	September 30 2021
	(9 months)	(9 months)
	(Unaudited)	(Unaudited)
NET INFLOW (OUTFLOW) OF CASH AND CASH EQUIVALENTS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Net loss	\$ (433,207)	\$ (369,575)
Items not affecting cash		
Amortization - administrative	3,701	27,625
Recognition of flow-through premium	-	(144,025)
Expensed exploration	-	6,885
Property write-down	8,994	-
Changes in non-cash operating working capital items:		
Amounts receivable	140,900	-
Subscription receivable	-	38,299
Prepaid expenses	(855)	(194,550)
Accounts payable and accrued liabilities	179,359	(86,056)
	(101,108)	(721,397)
CASH FLOW FROM INVESTING ACTIVITIES		
Expenditures on mineral properties	(147,032)	(1,067,366)
Disposal/(acquisition) of property & equipment	(614)	(7,972)
Government assistance	-	30,000
	(147,646)	(1,045,338)
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital, net of issuance costs	(2,500)	641,973
Repayment of lease liabilities	-	(24,612)
	(2,500)	617,361
NET CASH AND CASH EQUIVALENTS INFLOW	(251,254)	(1,149,374)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	301,621	1,782,185
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 50,367	\$ 632,811

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



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Northern Shield Resources Inc. (the "Company" or "Northern Shield"), an exploration and evaluation stage company, incorporated under the *Canada Business Corporations Act*, is a natural resource company engaged in the business of identifying, acquiring, and exploring mineral properties located primarily in Eastern Canada.

The Company's head office is situated at 150 Elgin St, 10th Floor, Ottawa, Ontario. The Company's shares trade on the TSX Venture Exchange under the symbol NRN.

The Company has not yet determined whether any of their properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties is dependent upon the existence of reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the development of the properties, and ultimately upon future profitable production or proceeds from disposition of the mineral properties.

As Northern Shield does not have an interest in revenue-producing properties, the Company has no operating income or earnings and, as such, its net loss may not be a meaningful indicator of its performance or potential. Exploration activities and the Company's expenses are financed by the periodic issuance of common shares and other equity securities.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. Currently, it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business, results of operations and the timing of proposed transactions.

Going concern

These consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. At September 30, 2022, the Company had accumulated losses of \$32,000,650. For the nine-month period then ended had incurred a loss of \$433,207 and negative operating cash flows of \$101,108.

These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise additional financing. Should this financing not materialize and profitable operations ultimately not be attained, this may cast doubt as to the Company's ability to continue as a going concern. Actual realization values may be substantially different from carrying values as shown in the financial statements and the Company's ability to discharge its liabilities in the normal course of business may be in doubt should the Company be unable to continue as a going concern.



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

The Board of Directors authorized these Financial Statements for issue on November 29, 2022.

Basis of Preparation

These Financial Statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned Canadian subsidiary Seabourne Resources Inc. All intercompany balances and transactions are eliminated upon consolidation.

Use of Judgments and Estimates

In preparing these interim financial statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2021.

Significant Accounting Policies

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 2 of the financial statements for the year ended December 31, 2021. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2021.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

The following table summarizes the exploration expenditures incurred on each of the Company's mineral properties:

	QC Idefix	QC Huckleberry	NS Shot Rock	NL Root&Cellar	NL Merashéen	Other	Total
<i>Percent Ownership</i>	100%	100%	88.5%	0%	100%	100%	
At January 1, 2021	\$ 90,457	\$ 198,865	\$ 2,503,051	\$ 507,280	\$ 147,581	\$ 8,994	\$ 3,456,228
Expenditures							
Acquisition	1,529	-	13,560	74,195	1,710	-	90,994
Exploration	4,574	600	870,501	941,263	77,166	-	1,894,104
Total Expenditures	6,103	600	884,061	1,015,458	78,876	-	1,985,098
Government assistance	(96,560)	(199,465)	(30,000)	-	-	-	(326,025)
At December 31, 2021	\$ -	\$ -	\$ 3,357,112	\$ 1,522,738	\$ 226,457	\$ 8,994	\$ 5,115,301
Expenditures							
Acquisition	1,001	-	-	3,787	-	-	4,788
Exploration	-	-	24,235	114,099	150	-	138,484
Total Expenditures	1,001	-	24,235	117,886	150	-	143,272
Property write-down	-	-	-	-	-	(8,994)	(8,994)
At September 30, 2022	\$ 1,001	\$ -	\$ 3,381,347	\$ 1,640,624	\$ 226,607	\$ -	\$ 5,249,579

The Company currently holds a 100% interest in the Idefix, Huckleberry and Merashéen properties. Other properties consisted of various claims in Quebec and Nova Scotia.

Shot Rock

During the year ended December 31, 2017, the Company entered into a property exploration option agreement with a prospector that gives the Company the right to acquire up to an 80% interest in the Shot Rock property in Nova Scotia.

During the year ended December 31, 2019, the Company earned a 50% interest in the property by making cash payments totaling \$50,000, issuing the prospector 650,000 shares and by incurring \$500,000 in expenditures on the property.

During the year ended December 31, 2020, the Company increased its interest to 80% by incurring an additional \$1,500,000 in expenditures, making an additional \$50,000 cash payment, and issuing an additional 500,000 shares to the prospector.

During the year ended December 31, 2020, the Company also incurred a further \$451,704 of expenditures, increasing its interest further to 85.5% as the prospector did not contribute to exploration.



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

During the year ended December 31, 2021, the Company incurred a further \$884,061 of expenditures, increasing its interest further to 88.5% as the prospector did not contribute to exploration.

During the nine-month period ended September 30, 2022, the Company incurred a further \$24,235 of expenditures, its interest remaining at 88.5%, as the prospector did not contribute to exploration.

The prospector will retain a 1% net smelter returns royalty ("NSR") of which half (0.5%) can be bought back by the Company for \$1,000,000.

Root & Cellar

During the year ended December 31, 2019, the Company entered into a property exploration option agreement with a prospector that gives the Company the right to acquire up to an 100% interest in the Root & Cellar property in Newfoundland.

Under the terms of the agreement, the Company can earn a 100% interest in the property by incurring \$2,150,000 in expenditures on the property within four years. The agreement also contains cash payments totaling \$165,000 (of which, \$60,000 has been paid) and share issuances totaling 3,000,000 shares to the prospector over three installments during the initial two-year period (of which, 1,000,000 have been issued).

The prospector will retain a 2.5% NSR of which 1.0% can be bought back by the Company for \$1,500,000.



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

4. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Field Equipment	Furniture/ Fixtures	Office Equipment	Right-of-Use Asset	Computer Software	Total
Cost						
January 1, 2021	\$ 216,212	\$ 29,980	\$ 139,639	\$ 83,490	\$ 45,658	\$ 514,979
Additions	7,972	-	-	-	-	7,972
December 31, 2021	224,184	29,980	139,639	83,490	45,658	522,951
Disposals	(746)	(2,039)	3,399	-	-	614
September 30, 2022	\$ 223,438	\$ 27,941	\$ 143,038	\$ 83,490	\$ 45,658	\$ 523,565
Accumulated Amortization						
January 1, 2021	\$ (180,920)	\$ (27,345)	\$ (112,517)	\$ (60,720)	\$ (43,810)	\$ (425,312)
Amortization	(7,855)	(489)	(5,033)	(22,770)	(765)	(36,912)
December 31, 2021	(188,775)	(27,834)	(117,550)	(83,490)	(44,575)	(462,224)
Amortization	(5,031)	(107)	(3,236)	-	(358)	(8,732)
September 30, 2022	\$ (193,806)	\$ (27,941)	\$ (120,786)	\$ (83,490)	\$ (44,933)	\$ (470,956)
Carrying Values						
December 31, 2021	\$ 35,409	\$ 2,146	\$ 22,089	\$ -	\$ 1,083	\$ 60,727
September 30, 2022	\$ 29,632	\$ -	\$ 22,252	\$ -	\$ 725	\$ 52,609

Exploration-related asset amortization of \$5,031 was allocated to mineral properties during the nine-month period ended September 30, 2022 (2021 - \$5,991).

5. LEASES

Lease obligation (and right-of use assets – see Note 4) comprises the Company's office space. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 8%, which is the Company's incremental borrowing rate. The continuity of the lease obligation is presented in the table below:

Balance at January 1, 2021	\$ 24,612
Interest expense	831
Lease Payments	(25,924)
Balance at December 31, 2021	-

The lease expired on September 30, 2021.



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

6. DEFERRED FLOW-THROUGH PREMIUM LIABILITY

This amount represents the deferred flow-through premium liability recognized on flow-through share issuances that will be recorded as other income as the flow-through funds raised are expended on exploration.

The following is a continuity of the flow-through premium liability:

Balance at January 1, 2021	\$ 164,053
Additions to flow-through premium liability	113,959
Settlement of liability through qualified expenditures	(257,984)
Balance at December 31, 2021	20,028
No activity	-
Balance at September 30, 2022	\$ 20,028

As at September 30, 2022, the Company is obligated to spend approximately \$82,500 (December 31, 2021 – \$82,500) on qualifying expenditures related to its flow-through shares issuances.

7. SHARE CAPITAL

Authorized and Issued

An unlimited number of voting common shares are authorized for issue and subject to priority rights of other share classes, are entitled to receive dividends when and if declared by the Board of Directors.

On September 9, 2022, a share consolidation was completed on the basis of one post-consolidation common share for every five pre-consolidation common shares. The consolidation reduced the number of common shares issued and outstanding from 291,683,550 common shares to 58,336,705 common shares. The common shares commenced trading on the TSX Venture Exchange (the "TSXV") on a post-consolidation basis on the opening of trading on December 9, 2021. The exercise or conversion price and the number of shares issuable under the Company's outstanding stock options and warrants were proportionately adjusted upon completion of the consolidation. All information relating to earnings/loss per share, issued and outstanding common shares, share options and warrants, and per share amounts in these financial statements have been adjusted retrospectively to reflect the share consolidation.

There were 58,336,705 voting common shares issued and outstanding at September 30, 2022 (58,336,705 at December 31, 2021).



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

An unlimited number of preferred shares are authorized for issue in series. There were no preferred shares issued at September 30, 2022 (none at December 31, 2021).

Property Options

During the nine-month period ended September 30, 2021, 80,000 shares were issued as consideration for maintaining certain property options. The shares were valued at \$32,000.

Flow-Through Private Placements

During the nine-month period ended September 30, 2021, the Company issued 1,000,000 flow-through common shares at \$0.30 per unit for gross proceeds of \$300,000. The difference between the issue price of the shares and market value on date of issuance of \$50,000 was recorded as deferred flow-through premium liability.

A further 1,279,167 flow-through share units at \$0.32 per unit for gross proceeds of \$409,333. Each unit consisted of one flow-through share and one non-flow-through common share purchase warrant. The difference between the issue price of the units and market value of the common shares on date of issuance of \$89,542 was split between deferred flow-through premium liability of \$31,979 and warrants of \$57,563.

Share Issue Costs

During the nine-month period ended September 30, 2022, a total of \$2,500 of share issue expenses were incurred.

During the nine-month period ended September 30, 2021, a total of \$24,680 of share issue expenses were incurred, including the issuance of 56,000 finders warrants with a value of \$5,380, estimated using the Black-Scholes option pricing model, with an estimated volatility of 103%, dividend rate of 0% and risk-free rate of 0.5% and expected life of 2 years.



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Warrants

The following continuity summarizes the Company's outstanding warrants over the period covered by these Financial Statements:

	<u>Quantity</u>	<u>Weighted Average Exercise Price</u>
Balance, January 1, 2021	5,497,531	\$ 0.72
Issued	695,583	0.50
Expired	(690,259)	0.69
Balance, December 31, 2021	5,502,855	0.69
Expired	(4,394,772)	0.73
Balance, September 30, 2022	1,108,083	\$ 0.52

Additional information regarding warrants outstanding as at September 30, 2022:

<u>Issue Date</u>	<u>Exercise Price</u>	<u>Quantity</u>	<u>Expiry Date</u>
December 30, 2020	\$ 0.55	412,500	December 30, 2022
September 24, 2021	\$ 0.50	40,000	September 24, 2023
September 28, 2021	\$ 0.50	639,583	September 28, 2023
September 28, 2021	\$ 0.50	16,000	September 28, 2023
		1,108,083	

Stock options

The Company has established a Stock Option Plan (the "Plan") to develop the interest and incentive of eligible employees, directors and consultants in the Company's growth and development. The aggregate number of share options which may be issued and outstanding at any time under this plan shall not exceed 10% of the total number of issued and outstanding shares of the Company unless the Company receives the permission of the TSX Venture Exchange and its shareholders. As at September 30, 2022, 29,168,355 common share options were authorized to be issued and outstanding under the Plan (December 31, 2021 – 29,168,355). Stock options are granted with an exercise price equal to the underlying common stock's fair value at the time of grant. Once vested, options may be exercised during a period not exceeding five years from the date of grant, subject to earlier termination if the option holder ceases to be a director, officer, employee, or consultant of the Company.



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

The following summarizes the Company's outstanding option obligations over the period covered by these Financial Statements:

	<u>Quantity</u>	<u>Weighted Average Exercise Price</u>
Balance, January 1, 2021	3,300,000	\$ 0.63
Expired	(1,370,000)	0.81
Balance, December 31, 2021	1,930,000	0.50
Expired	(1,120,000)	0.50
Balance, September 30, 2022	810,000	\$ 0.50

At September 30, 2022, the remaining pool of options available for grant was 5,023,671 (December 31, 2021 – 3,903,671).

Additional information regarding options outstanding at September 30, 2022:

Issue Date	Exercise Price	Quantity	Expiry Date	Exercisable
June 25, 2019	\$ 0.50	680,000	June 25, 2024	680,000
January 15, 2020	\$ 0.50	130,000	January 15, 2025	130,000
		810,000		810,000

Share-based compensation

The Black-Scholes option pricing model, used by the Company to calculate option values, was developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differ from the Company's option awards. These models require subjective assumptions, including future stock price volatility and expected time until exercise, which affect calculated values.

During both the none-month periods ended September 30, 2022 and 2021, the Company incurred no expense relating to options granted.



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

8. LOSS PER SHARE

Basic loss per common share is calculated using the weighted average number of common shares outstanding during the year. As the Company has recorded a loss in each of the periods presented, the following table presents the securities excluded from the loss per share computation for the nine-month periods ended September 30:

	2022	2021
Stock options	810,000	1,930,000
Stock purchase warrants	1,108,083	5,502,855
	1,918,083	7,432,855

9. NATURE OF EXPENSES

General and administrative expenses comprised the following during the nine-month periods ended September 30:

	2022	2021
Remuneration and consulting fees (Note 10)	\$ 211,764	\$ 275,999
Office expenses	58,073	68,466
Travel expenses	1,998	1,661
Marketing expenses	8,385	17,330
Professional fees (Note 10)	83,679	60,074
Public company expenses	39,250	37,260
Insurance expenses	20,840	18,300
Amortization (Note 4)	3,701	27,625
	\$ 427,690	\$ 506,715



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
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10. RELATED PARTY TRANSACTIONS

The legal fees that, during the nine-month periods ended September 30, 2022, and 2021, the Company incurred with a law firm which the Company's corporate secretary is a partner were as follows:

	2022	2021
Corporate Secretary	24,891	51,347

Amounts owed to the related-party firm on the dates indicated were as follows:

	September 30, 2022	December 31, 2021
Corporate Secretary	96,419	81,161

The following table presents the compensation earned by key members of management during the nine-month periods ended September 30, noted below:

	2022	2021
Salaries	\$ 179,546	\$ 209,590
Benefits	4,956	5,538
	\$ 184,502	\$ 215,128

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

11. GOVERNMENT ASSISTANCE

No government assistance was received during either of the nine-month periods ended September 30, 2022, and 2021.

12. SEGMENT INFORMATION

The Company has one operating segment involved in the exploration of resource properties. All the Company's exploration activities were in Canada.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Market risk

Market risk is the risk that changes in market prices, such as equity prices, interest rates and foreign exchange rates will affect the Company's income (loss) or the value of its financial instruments.

Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Foreign exchange risk

The Company is not exposed to significant foreign exchange risk due to the low volume of foreign currency transactions.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's unbilled receivables.

a) Concentration of credit risk

Counterparties expose the Company to credit-related losses in the event of non-performance. By dealing with only creditworthy counterparties, the Company's credit exposure is minimized. There were no amounts due to the Company from non-governmental counterparties at September 30, 2022.

Credit risk (continued)

b) Credit risk exposure

The carrying amounts of the cash, and amounts receivable represent the maximum exposure to credit risk. The maximum exposure to credit risk at September 30, 2022 was \$68,886 (December 31, 2021 - \$461,021). The cash is held by the Company's banks, two of the large Canadian chartered banks. Since the inception of the Company, no losses have been suffered in relation to cash held in the bank.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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's approach to manage liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. As at September 30, 2021, the Company had a cash balance of \$50,366. To date, the Company has incurred significant operating losses. The Company's ability to continue as a going concern is dependent on its ability to generate sufficient capital through either revenues or through further financings. The Company is exposed to liquidity risk.

Fair values

- a) The fair value of amounts receivable, accounts payable and accrued liabilities and lease liability is approximately equal to their carrying value due to their short terms to maturity.
- b) Fair value hierarchy

Financial instruments recorded at fair value on the Consolidated Statement of Financial Position are classified using 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 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on 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).

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

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The fair value of the investment in shares is determined based on recent market transactions for similar instruments issued by that company. Cash and the investment in shares are level 1 instruments.



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2022, and 2021
(unaudited and expressed in Canadian Dollars)

14. CAPITAL MANAGEMENT

The Company aims to maintain a strong capital base to maintain investor, creditor and market confidence, to fund future exploration and maintain the ability to continue as a going concern. Capital is defined as the Company's shareholders' equity. The Company does not have any long-term debt and the Company does not intend to assume any until any given development project warrants it. The Board of Directors does not establish quantitative capital criteria for management; but rather promotes the use of periodic equity financing events as the primary method of funding administrative operations and exploration and development. Other methods open to management to fund exploration include extending joint venture or earn-in opportunities to other parties relating to specific properties.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

14. SUBSEQUENT EVENTS

Subsequent to the period ended September 30, 2022, the Company issued 4,100,000 units at \$0.05 per unit for gross proceeds of \$205,000. Each unit consisted of one common share and one common share purchase warrant.

A further 5,010,770 flow-through share units were issued at \$0.065 per unit for gross proceeds of \$325,700. Each unit consisted of one common share and one-half common share purchase warrant.