



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

OCTOBER 31, 2022 AND 2021

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Signature Resources Ltd.

Opinion

We have audited the consolidated financial statements of Signature Resources Ltd. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2022 and 2021, and November 1, 2020, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows, and consolidated statements of changes in equity (deficiency) for the years ended October 31, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at October 31, 2022 and 2021 and November 1, 2020, and its consolidated financial performance and its consolidated cash flows for the years October 31, 2022 and 2021, in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has an accumulated deficit and working capital deficiency as at October 31, 2022 and is not generating positive cash flows from operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
February 24, 2023



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at	Note	October 31, 2022	October 31, 2021 (restated)	November 1, 2020 (restated)
		\$	note 3(a) \$	note 3(a) \$
ASSETS				
CURRENT				
Cash		3,219	75,281	462,184
Investments	4	57,500	1,350,000	-
Amounts receivable		52,071	254,546	63,100
Prepaid expenses and deposit		72,178	67,306	22,686
Total current assets		184,968	1,747,133	547,970
Equipment	5	1,123,264	1,301,383	283,913
Total assets		1,308,232	3,048,516	831,883
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	7,9	1,463,534	1,396,638	1,591,182
Total current liabilities		1,463,534	1,396,638	1,591,182
Rehabilitation provision	11	786,935	848,271	273,847
Total liabilities		2,250,469	2,244,909	1,865,029
SHAREHOLDERS' EQUITY				
Share capital	8	17,871,069	15,582,097	7,730,552
Contributed surplus	8	4,357,953	4,031,249	2,249,444
Deficit		(23,171,259)	(18,809,739)	(11,013,142)
Total shareholders' (deficiency) equity		(942,237)	803,607	(1,033,146)
Total liabilities and shareholders' (deficiency) equity		1,308,232	3,048,516	831,883

Nature of business and continuing operations (note 1)

Commitments and contingencies (notes 6, 10, 11,12)

Subsequent events (note 16)

Approved by the Board:

S/ "Paolo Lostritto"

Director

S/ "Stephen Timms"

Director

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



CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

Year ended October 31,	Note	2022	2021 (restated)
		\$	note 3(a) \$
OPERATING EXPENSES			
Exploration and evaluation expenditures	6	2,623,587	6,406,858
Salaries and wages	7	675,300	524,880
Office and general		447,386	346,058
Share-based payments	7,8	365,025	711,885
Depreciation	5	360,148	207,091
Professional fees		72,743	125,072
NET LOSS BEFORE OTHER ITEMS		(4,544,189)	(8,321,844)
Premium on flow-through shares income	10	180,828	524,313
Foreign exchange income		1,841	934
NET LOSS AND COMPREHENSIVE LOSS		(4,361,520)	(7,796,597)
LOSS PER SHARE, basic and diluted		\$(0.08)	\$(0.19)
Weighted average number of common shares, basic and diluted		52,340,856	41,609,318

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



CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

Year ended October 31,	Note	2022	2021 (restated)
		\$	\$
OPERATING ACTIVITIES			
Net loss for the year		(4,361,520)	(7,796,597)
Items not affecting cash:			
Share-based payments	8	365,025	711,885
Depreciation expense	5	360,148	207,091
Premium on flow-through shares income	10	(180,828)	(524,313)
Accretion of rehabilitation provision	11	34,458	-
Change in estimate of rehabilitation provision	11	(95,794)	574,424
Shares issued for property		-	37,000
Shares issued for services	8	-	36,000
		(3,878,511)	(6,754,510)
Changes in non-cash working capital items:			
Amounts receivable		202,475	(191,446)
Prepaid expenses and deposit		(4,872)	(44,620)
Accounts payable and accrued liabilities		66,896	276,510
Net cash used in operating activities		(3,614,012)	(6,714,066)
FINANCING ACTIVITIES			
Proceeds from private placement	8	2,447,336	8,324,674
Share issuance costs	8	(72,857)	(288,630)
Proceeds from warrant exercise	8	-	865,680
Proceeds from option exercise		57,000	-
Net cash provided by financing activities		2,431,479	8,901,724
INVESTING ACTIVITIES			
Expenditures on equipment	5	(182,029)	(1,224,561)
Investments	4	1,292,500	(1,350,000)
Net cash used in investing activities		1,110,471	(2,574,561)
Net change in cash		(72,062)	(386,903)
Cash, beginning of year		75,281	462,184
Cash, end of year		3,219	75,281
<i>Non-cash activities:</i>			
Finder's warrants issued in connection with private placement	8	\$9,296	\$ -
Shares for debt	8	\$ -	\$371,054

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



CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Expressed in Canadian dollars)

	Note	Number of Shares #	Share Capital \$	Contributed Surplus \$	Deficit ⁽¹⁾ \$	Total \$
Balance, October 31, 2020		28,540,161	7,730,552	2,249,444	(11,013,142)	(1,033,146)
Private placements	8	15,630,231	8,324,674	-	-	8,324,674
Share issuance costs	8	-	(288,630)	-	-	(288,630)
Issuance of warrants	8	-	(1,255,436)	1,255,436	-	-
Shares issued for acquisition of claims	8	40,000	37,000	-	-	37,000
Shares issued for debt	8	1,167,819	371,054	-	-	371,054
Shares issued for services	8	36,923	36,000	-	-	36,000
Exercise of stock options	8	350,000	169,674	(69,674)	-	100,000
Exercise of warrants	8	1,646,972	981,522	(115,842)	-	865,680
Share-based payments	8	-	-	711,885	-	711,885
Premium on flow-through shares		-	(524,313)	-	-	(524,313)
Net loss and comprehensive loss for the year		-	-	-	(7,796,597)	(7,796,597)
Balance, October 31, 2021		47,412,105	15,582,097	4,031,249	(18,809,739)	803,607
Private placement	8	7,555,027	2,447,336	-	-	2,447,336
Share issuance costs	8	-	(72,857)	-	-	(72,857)
Issuance of warrants	8	-	(9,296)	9,296	-	-
Exercise of stock options	8	172,500	104,617	(47,617)	-	57,000
Share-based payments	8	-	-	365,025	-	365,025
Premium on flow-through shares	10	-	(180,828)	-	-	(180,828)
Net loss and comprehensive loss for the year		-	-	-	(4,361,520)	(4,361,520)
Balance, October 31, 2022		55,139,632	17,871,069	4,357,953	(23,171,259)	(942,237)

⁽¹⁾ Certain figures are restated as at October 31, 2021 and 2020, and for the year ended October 31, 2021 – See note 3(a)

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



SIGNATURE RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2022 AND 2021
(Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Signature Resources Ltd. (the “Company” or “Signature”) was incorporated on May 3, 2010, under the British Columbia Business Corporations Act. The Company’s principal business activities include the acquisition and exploration of mineral properties in Canada. The Company’s common shares are publicly traded on the TSX Venture Exchange (“TSXV”) under the stock symbol “SGU”, on the OTCQB under the symbol “SGGTF”, and on the FSE under the symbol “3S3”. The Company’s corporate office address is 2704-401 Bay Street, Toronto, ON M5H 2Y4.

As at October 31, 2022, the Company had not yet determined whether its properties contained ore reserves that are economically recoverable. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements or non-compliance with regulatory requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at October 31, 2022, the Company has an accumulated deficit of \$23,171,259 (October 31, 2021 - \$18,809,739 (restated – see note 3a)), working capital deficiency of \$1,278,566 (October 31, 2021 – working capital of \$350,495), and is not yet generating positive cash flows from operations. These factors indicate the existence of material uncertainties that cast significant doubt about the Company’s ability to continue its operations as a going concern and to realize its assets and recover the amounts expended on its exploration and evaluation assets as this is dependent upon obtaining additional financing and for generating revenues sufficient to cover its operating costs.

On December 6, 2022, the Company completed a share consolidation of its share capital on the basis of five (5) pre-consolidation common shares for one (1) post-consolidation common share. All common shares, per common share amounts, warrants and stock options in these consolidated financial statements have been retroactively restated to reflect the share consolidation. See note 16 - Subsequent events.

The Company will need to raise capital in order to fund its operations. To address its financing requirements, the Company will seek financing through debt and equity financings, asset sales, and rights offerings to existing shareholders. The ability of the Company to raise sufficient capital cannot be predicted at this time.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. Such adjustments could be material.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business while monitoring the COVID-19 development but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its future impact.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2022 AND 2021
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These consolidated financial statements for the year ended October 31, 2022, including comparatives, 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”).

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The functional and presentation currencies of the Company and its subsidiary are the Canadian dollar.

These financial statements include the accounts of the Company and its wholly-owned subsidiary, Signature Exploration Ltd. (formerly, “Cool Minerals Inc.”). All intercompany amounts and transactions have been eliminated on consolidation.

The financial statements were authorized for issue by the Board of Directors on February 24, 2023.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Change in Accounting Policies for Exploration and Evaluation Expenditures

In order to enhance the relevance to the decision-making needs of users and improve comparability with its peers, the Company has voluntarily elected to change its accounting policy with respect to exploration properties and deferred exploration expenditures, consistent with the guidance provided in IFRS 6 – Exploration for and Evaluation of Mineral Resources and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The new accounting policy was adopted on October 31, 2022 and applied retroactively to the consolidated financial statements for the year ended October 31, 2021 and the statement of financial position as at November 1, 2020. In prior periods, the Company’s policy was to capitalize exploration expenditures until such time as the properties were put into commercial production, sold, or become impaired.

The full accounting policy is as follows:

The Company expenses exploration and evaluation expenditures as incurred. Expenses charged to exploration properties include acquisition costs of mineral property rights, property option payments and certain exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible, and the decision to proceed with development has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.


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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2022 AND 2021
(Expressed in Canadian Dollars)

The following tables reflect the retroactive changes made to the consolidated financial statements at November 1, 2020 giving effect to this policy change:

	As originally reported	Effects of restatement	As restated
<u>Consolidated statement of financial position</u>	\$	\$	\$
Assets			
Total current assets	547,970	-	547,970
Non-current assets			
Property, plant and equipment	283,913	-	283,913
Exploration and evaluation assets	6,401,261	(6,401,261)	-
Total assets	7,233,144	(6,401,261)	831,883
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	1,591,182	-	1,591,182
Total liabilities	1,591,182	-	1,591,182
Rehabilitation provision	273,847	-	273,847
Total liabilities	1,865,029	-	1,865,029
Shareholders' Equity			
Share capital	7,730,552	-	7,730,552
Contributed surplus	2,249,444	-	2,249,444
Accumulated deficit	(4,611,881)	(6,401,261)	(11,013,142)
Total shareholders' equity	5,368,115	(6,401,261)	(1,033,146)
Total liabilities and shareholders' equity	7,233,144	(6,401,261)	831,883


SIGNATURE RESOURCES LTD.
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2022 AND 2021
(Expressed in Canadian Dollars)**

The following tables reflect the retroactive changes made to the consolidated financial statements for the year ended October 31, 2021 giving effect to this policy change:

	As originally reported	Effects of restatement	As restated
Consolidated statement of financial position	\$	\$	\$
Assets			
Total current assets	1,747,133	-	1,747,133
Non-current assets			
Property, plant and equipment	1,301,383	-	1,301,383
Exploration and evaluation assets	12,811,830	(12,811,830)	-
Total assets	15,860,346	(12,811,830)	3,048,516
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	1,396,638	-	1,396,638
Total liabilities	1,396,638	-	1,396,638
Rehabilitation provision	848,271	-	848,271
Total liabilities	2,244,909	-	2,244,909
Shareholders' Equity			
Share capital	15,582,097	-	15,582,097
Contributed surplus	4,031,249	-	4,031,249
Accumulated deficit	(5,997,909)	(12,811,830)	(18,809,739)
Total shareholders' equity	13,615,437	(12,811,830)	803,607
Total liabilities and shareholders' equity	15,860,346	(12,811,830)	3,048,516
	As originally reported	Effects of restatement	As restated
Consolidated statement of loss and comprehensive loss	\$	\$	\$
Operating expenses			
Exploration expenditures	-	(6,406,858)	(6,406,858)
All other operating expenses	(1,707,895)	-	(1,707,895)
Depreciation expense	(203,380)	(3,711)	(207,091)
Net loss for the year before the undernoted	(1,911,275)	(6,410,569)	(8,321,844)
Premium on flow-through shares income	524,313	-	524,313
Foreign exchange income	934	-	934
Net loss and comprehensive loss for the year	(1,386,028)	(6,410,569)	(7,796,597)
Net loss per share - basic and diluted	(\$ 0.03)	(\$ 0.15)	(\$ 0.19)
Weighted average number of shares outstanding during the year - basic and diluted	41,609,318	41,609,318	41,609,318



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)

	As originally reported	Effects of restatement	As restated
<u>Consolidated Statement of Cash Flow</u>	\$	\$	\$
Cash flows from operating activities			
Net loss for the year	(1,386,028)	(6,410,569)	(7,796,597)
Adjustments to non-cash items:			
Share-based compensation	711,885	-	711,885
Depreciation	203,380	3,711	207,091
Premium on flow-through shares income	(524,313)	-	(524,313)
Shares issued for property	-	37,000	37,000
Increase in rehabilitation provision	-	574,424	574,424
Shares issued for services	36,000	-	36,000
	(959,076)	(5,795,434)	(6,754,510)
Working capital adjustments			
Other receivables	(191,446)	-	(191,446)
Other financial assets and prepaids	(44,620)	-	(44,620)
Accounts payable and accrued liabilities	217,294	55,505	272,799
Net cash flows used in operating activities	(977,848)	(5,739,929)	(6,717,777)
Cash flows from investing activities			
Exploration and evaluation assets	(5,736,218)	5,736,218	-
Purchase of equipment	(1,224,561)	-	(1,224,561)
Investments	(1,350,000)	-	(1,350,000)
Net cash flows used in investing activities	(8,310,779)	5,736,218	(2,574,561)
Cash flows from financing activities			
Private placement proceeds	8,324,674	-	8,324,674
less share issue costs	(288,630)	-	(288,630)
Proceeds from warrant exercises	865,680	-	865,680
Net cash flows from financing activities	8,901,724	-	8,901,724
Net decrease in cash	(386,903)	(3,711)	(390,614)
Cash, beginning of year	462,184	-	462,184
Cash, end of year	75,281	(3,711)	71,570

b) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Signature Exploration Ltd. ("SEL"). All intercompany balances and transactions have been eliminated upon consolidation. Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.



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c) Rehabilitation Provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of an exploration and evaluation property. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating a related expense recognized in profit or loss.

d) Cash

Cash in the consolidated statements of financial position is comprised of cash held at major financial institutions or lawyer's trust accounts.

e) Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements unless such differences arise from goodwill or the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the taxable profit nor the accounting profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

f) Share Capital and Flow-Through Shares

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.



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The Company finances some exploration expenditures through the issuance of flow-through shares. At the time the flow-through shares are issued, there is a potential premium paid on the flow-through shares calculated based on the share issuance price and the market price at the time of closing. In the absence of a market price, the Company uses the fair value as determined by the price per share in recent non-flow-through share financings or other techniques as considered necessary. This premium is recorded as premium on flow-through shares liability on the consolidated statements of financial position reducing share capital and is drawn down proportionately as the flow-through exploration spending occurs and recorded to deferred tax expense.

g) Share-Based Payments

The Company has an equity-settled share-based compensation plan. Equity settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at the grant date using the Black-Scholes option pricing model and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus. Upon expiry, the recorded value remains in contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

h) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. During the years ended October 31, 2022 and 2021, all outstanding options and warrants were considered anti-dilutive and were therefore excluded from the diluted loss per share calculation.

i) Financial Instruments

Classification

On initial recognition, the Company determines the classification of financial instruments based on the following categories:

1. Measured at amortized cost
2. Measured at fair value through profit or loss (FVTPL)
3. Measured at fair value through other comprehensive income (FVTOCI)

The classification is based on the business model under which a financial asset is managed and on its contractual cash flow characteristics. Assets held for the collection of contractual cash flows and for which those cash flows correspond solely to principal repayments and interest payments are



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measured at amortized cost. Contracts with embedded derivatives where the host is a financial instrument in the scope of the standard will be assessed as a whole for classification.

A financial asset is measured at amortized cost if both of the following criteria are met:

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

Equity investments held for trading are classified as FVTPL. For all other equity investments that are not held for trading, the Company may irrevocably elect, on initial recognition, to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as derivatives), or if the Company has chosen to evaluate them at FVTPL.

The Company has assessed the classification and measurement of its financial instruments as follows:

Financial Instrument	Classification
Cash	Amortized cost
Investments	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Measurement

Initial recognition – A financial asset or financial liability is initially recorded at its fair value, which is typically the transaction price, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In the event that fair value is determined to be different from the transaction price, and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or is based on a valuation technique that uses only data from observable markets, then the difference between fair value and transaction price is recognized as a gain or loss at the time of initial recognition.

Amortized cost – The amount at which a financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit losses. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount on initial recognition.

Fair value through profit or loss – Changes in fair value after initial recognition, whether realized or not, are recognized through the consolidated statements of loss. Income arising in the form of interest, dividends, or similar, is recognized through the consolidated statements of loss when the



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right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Fair value through other comprehensive income – Changes in fair value after initial recognition, whether realized or not, are recognized through other comprehensive income. Income arising in the form of interest, dividends, or similar, is recognized through the statements of net loss and comprehensive loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Impairment

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

The Company has applied the simplified approach to recognize lifetime expected credit losses for its amounts receivable. In general, the Company anticipates that the application of the expected credit loss model of IFRS 9 results in earlier recognition of credit losses for the respective items.

Derecognition

Financial assets – The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred. Gains and losses from the derecognition are recognized in the consolidated statements of loss.

Financial liabilities – The Corporation derecognizes a financial liability when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements loss.

j) Flow-through shares

To the extent that the Company issues common shares to subscribers on a flow-through basis at a premium to the market value of non-flow-through common shares, any such premium is recorded as a liability on the statement of financial position at the time of subscription. The liability is subsequently reduced and recorded in the consolidated statement of loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred.

Resource expenditure deductions for income tax purposes related to exploration and evaluation activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation.

k) Warrants

Warrants are measured at fair value on the date of grant and included in contributed surplus. The fair value is estimated using the Black-Scholes option pricing model. Upon expiry, the recorded value remains in contributed surplus.

l) Equipment

Equipment is carried at cost less accumulated depreciation. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of equipment, since this



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most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. The estimated useful lives for the current and comparative periods for equipment are as follows:

- Computer and communication equipment - 3 years
- Vehicles - 5 years
- Field equipment - 5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

m) Share capital – common shares

Common shares are classified as equity. Incremental costs of issuance are recognized as a deduction from equity, net of any tax effects.

n) Impairment of non-financial assets

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

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

o) Critical Accounting Estimates

The preparation of these consolidated financial statements under IFRS requires management to make certain estimates, judgments and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge on the amount, event or actions, actual results may differ from those estimates and these differences could be material.



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The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

- i. Income, value added, withholding and other taxes related estimates

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities, such as those arising from the renunciation of flow-through expenditures, requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made. In the case of flow-through, reassessment may result in amounts owing to certain shareholders.

- ii. Estimation of restoration, rehabilitation and environmental obligation

Restoration, rehabilitation and environmental liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of restoration, rehabilitation and environmental liabilities that may occur upon ceasing exploration and evaluation activities. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- iii. Share-based payments

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumption about them, the assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8.

- iv. Asset carrying values and impairment charges

In the determination of carrying values and impairment charges, Management looks at the higher of: recoverable amount; fair value less costs to sell in the case of assets; and significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that Management make a decision based on the best available information at each reporting period.

Standards issued and effective for annual periods beginning on or after November 1, 2022

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint



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venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

IAS 1 – In February 2021, the IASB issued ‘Disclosure of Accounting Policies’ with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023. **Presentation of Financial Statements (“IAS 1”)** was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 8 – In February 2021, the IASB issued ‘Definition of Accounting Estimates’ to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

The Company is currently assessing the impact of these standards.

4. INVESTMENTS

As of October 31, 2022, the Company has an interest-bearing guaranteed investment certificate (“GIC”) in the amount of \$57,500 (October 31, 2021 - \$1,350,000). The Company’s GIC is held with a first-tier bank, with a maturity greater than 90 days but less than one year.


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5. EQUIPMENT

	Vehicles	Field Equipment	Computer Equipment	Total
Cost				
Balance, October 31, 2020	\$34,299	\$422,996	\$ -	\$457,295
Additions	310,199	903,735	10,627	1,224,561
Balance, October 31, 2021	\$344,498	\$1,326,731	\$10,627	\$1,681,856
Additions	-	182,029	-	182,029
Balance, October 31, 2022	\$344,498	\$1,508,760	\$10,627	\$1,863,885
Accumulated Depreciation				
Balance, October 31, 2020	\$8,166	\$165,216	\$ -	\$173,382
Depreciation	51,253	154,571	1,267	207,091
Balance, October 31, 2021	\$59,419	\$319,787	\$1,267	\$380,473
Depreciation	62,040	294,566	3,542	360,148
Balance, October 31, 2022	\$121,459	\$614,353	\$4,809	\$740,621
Net Book Value				
Balance, October 31, 2021	\$285,079	\$1,006,944	\$9,360	\$1,301,383
Balance, October 31, 2022	\$223,039	\$894,407	\$5,818	\$1,123,264

6. EXPLORATION AND EVALUATION ("E&E") EXPENDITURES

The Company holds a 100% interest in the Lingman Lake Property for the main purpose of gold exploration. A 3% net smelter return ("NSR") is attached to each of three different claim blocks. The Company can purchase one-half (1/2) of the NSR of each claim block for \$1,500,000, collectively totaling \$4,500,000 for all three blocks.

On May 11, 2021, the Company acquired a certain number of claims (the "Claims") along the Southern contact of the Lingman Lake Greenstone Belt. The consideration for the Claims was the payment of \$8,000 in cash and the issuance of 40,000 common shares in the capital of the Company, valued at the market price of \$0.925 per common share.



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The following table summarizes the E&E expenditures incurred at the Lingman Lake Property:

Year ended October 31,	2022	2021
Cumulative expenditures, beginning of the year	\$12,808,119	\$6,401,261
Logistics	654,773	744,056
Contract labour, salaries, wages	434,858	1,043,908
Geophysical and geological consulting	385,595	495,980
Field supplies	366,006	1,377,308
Consulting expenses (note 7)	328,981	353,584
Travel and lodging	183,304	1,121,533
Assays	127,777	-
Geotechnical and storage	111,799	-
Equipment rentals	91,830	21,866
Asset retirement obligation accretion expense (note 11)	34,458	-
Asset retirement obligation adjustment (note 11)	(95,794)	574,424
Airborne survey	-	628,793
Acquisition costs	-	37,000
Drilling	-	8,406
Total expenditures during the year	2,623,587	6,406,851
Cumulative expenditures, end of the year	\$15,431,706	\$12,808,119

7. RELATED PARTY TRANSACTIONS

As at October 31, 2022, the Company owes \$235,008 (October 31, 2021 - \$66,902) to executives of the Company for unpaid consulting fees and expenses. These amounts are included in accounts payable and accrued liabilities. They are unsecured, non-interest-bearing, and due on demand.

Short-term management fees paid to related parties during the year ended October 31, 2022 includes \$215,400 (2021 - \$246,467) which has been recorded in exploration and evaluation expenditures on the statement of loss and comprehensive loss.

Years ended October 31,	2022	2021
Short-term management fees	\$806,500	\$629,475
Share-based payments	280,753	537,821
	\$1,087,253	\$1,167,296

Refer also to note 8 for details of related party participation in the Company's private placements.



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8. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding – see consolidated statements of changes in equity.

- i. On November 26, 2020, the Company entered into debt settlement agreements and completed shares for debt transactions with certain creditors of the Company, including certain directors and officers. Pursuant to these agreements, the Company issued 1,167,819 common shares to settle \$371,054 of outstanding debt. No gain or loss was recorded on the debt settlement.
- ii. In November 2020, 200,000 options with an exercise price of \$0.275 and 150,000 options with an exercise price of \$0.30 were exercised for proceeds of \$100,000. The fair value of these options, in the amount of \$69,674, was transferred from contributed surplus to share capital.
- iii. On December 4, 2020, the Company closed its non-brokered private placement. The Company raised gross proceeds of \$2,000,000 by issuing 4,569,440 hard dollar units at a price of \$0.25 per unit and 2,858,800 flow-through units at a price of \$0.30 per unit.

Each hard dollar unit issued consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one half of one warrant. The Company issued a total of 5,998,840 warrants with a value of \$299,713 in connection with this private placement. Each whole warrant will entitle the holder thereof to acquire an additional common share of the Company at an exercise price of \$0.50 until December 4, 2021.

The Company issued a total of 166,511 finder's warrants with a total value of \$13,947 in connection with the private placement. 140,000 finders' warrants valued at \$11,930 were issued pursuant to the sale of hard dollar units exercisable to acquire one common share at a price of \$0.25 and 26,511 finders' warrants valued at \$2,017 were issued pursuant to the sale of flow-through units exercisable to acquire one common share at a price of \$0.30 for a period of 12 months following closing of the tranche. Directors and officers subscribed for 200,000 flow-through units and 286,920 hard dollar units for this private placement.

The total premium on the flow-through shares was \$217,554 (note 10).

Total issuance costs of \$63,203 were incurred in connection with the private placement.

- iv. On December 17, 2020, the Company closed its non-brokered private placement. The Company raised gross proceeds of \$1,000,000 by issuing 199,989 hard dollar units at a price of \$0.55 per unit and 1,369,240 flow-through units at a price of \$0.65 per unit. Directors of the Company subscribed for 77,262 units of the financing.

Each hard dollar unit issued consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one half of one warrant. The Company issued a total of 884,609 warrants with a value of \$114,126 in connection with this private placement. Each whole warrant will entitle the holder thereof to acquire an additional common share of the Company at an exercise price of \$1.00 until April 17, 2022.



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The Company also issued finder's warrants to purchase 41,077 common shares, exercisable until April 17, 2022 at a price of \$0.65 per share and valued at \$7,480.

The total premium on the flow-through shares was \$234,724 (note 10).

Total issuance costs of \$68,945 were incurred in connection with the private placement.

- v. On March 18, 2021, the Company closed a non-brokered charity flow-through private placement issuing 1,818,182 common shares at a price of \$0.78 per common share for gross proceeds of \$1,418,182. Total issuance costs of \$25,371 were incurred in connection with the private placement. There was no premium on flow-through shares incurred in connection with the private placement.
- vi. On April 1, 2021, the Company issued 36,923 common shares at \$0.975 per common share to satisfy the payment of certain services for a total cost of \$36,000. The value of the shares was estimated based on the quoted market price of the Company's shares at the date of issuance.
- vii. On May 11, 2021, the Company issued 40,000 common shares, with a market value of \$37,000, or \$0.925 per common share, for the acquisition of 45 claims (see note 6). The value of the shares was estimated based on the quoted market price of the Company's shares at the date of issuance.
- viii. On July 9, 2021, the Company closed a non-brokered private placement by issuing 2,621,462 non-flow-through units and 2,193,118 flow-through units for aggregate gross proceeds of \$3,906,492. Each flow-through unit was issued at a price of \$0.825 per unit and was comprised of one common share of the Company and one half of one warrant with an exercise price of \$1.25 per flow-through warrant. Non-flow-through units were issued at a price of \$0.80 per unit consisting of one common share and one half of one warrant with an exercise price of \$1.10 per non-flow-through warrant. Both the flow-through and non-flow-through warrants expire two years from date of issuance.

The Company issued a total of 1,310,731 non-flow-through warrants with a value of \$450,481 and issued 1,096,559 flow-through warrants with a value of \$353,888 in connection with this private placement.

The Company issued finder's warrants with a total value of \$41,419 in connection with the private placement. 100,125 finders' warrants valued at \$26,681 were issued pursuant to the sale of hard dollar units exercisable to acquire one common share at a price of \$0.80 and 56,364 finders' warrants valued at \$14,738 were issued pursuant to the sale of flow-through units exercisable to acquire one common share at a price of \$0.825 for a period of 12 months following closing of the tranche.

The total premium on the flow-through shares was \$72,035 (note 10).

Total issuance costs of \$131,112 were incurred in connection with the private placement.

- ix. On March 9, 2022, the Company closed a non-brokered private placement (the "March Offering") of flow-through shares and non-flow-through shares, raising aggregate gross proceeds of \$2,447,336 through the issuance of 3,938,467 non-flow-through shares (the "NFT Shares"), and 3,616,560 flow-through shares (the "FT Share"). Each NFT Share was issued at a price of \$0.30, and each FT Share was issued at a price of \$0.35. The Company paid finder's fees of \$8,261 and issued 27,538 finder warrants exercisable at \$0.50 per share for a period of 12 months from the


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date of closing. Directors and officers subscribed for 1,278,333 non-flow-through shares and 911,429 flow-through shares for this private placement.

The Company issued finder's warrants to purchase 27,538 common shares, exercisable until March 9, 2023 at a price of \$0.50 per share and valued at \$9,296.

Total issuance costs of \$72,857 were incurred in connection with the March Offering.

c) Stock options

Stock Option Plan

Under the Company's stock option plan (the "Plan"), the Company's Board of Directors is authorized to grant stock options to directors, senior officers, employees, consultants, consulting companies or management company employees of the Company and its subsidiaries, not to exceed 10% of the issued and outstanding common shares of the Company. Stock options granted under the Plan are exercisable over a period not exceeding 10 years from the date granted. Exercise prices may not be less than the market price of the common shares at the time of the grant. Options shall vest in the manner imposed by the Board of Directors as a condition at the grant date.

The following table summarizes the stock options activity for the years ended October 31, 2022 and 2021:

	Number of Options	Weighted Average Exercise Price \$
Balance at October 31, 2020	1,935,000	0.41
Granted	2,665,000	0.55
Exercised	(350,000)	0.29
Expired	(25,000)	0.28
Balance at October 31, 2021	4,225,000	0.51
Granted	3,200,000	0.38
Exercised	(172,500)	0.33
Expired	(15,000)	0.65
Balance at October 31, 2022	7,237,500	0.45

The following table summarizes the outstanding stock options at October 31, 2022:

Grant Dates	Exercise Price \$	Weighted Average Remaining Life (years)	Number of Options Outstanding	Number of Options Exercisable
Mar. 1 - Oct. 29, 2018	0.40 - 0.60	0.33 - 0.99	677,500	677,500
Jun. 17 - Nov. 7, 2019	0.25 - 0.375	1.63 - 2.02	70,000	70,000
Apr. 1 - Aug. 17, 2020	0.25 - 0.50	0.42 - 2.80	800,000	800,000
Nov. 1 - Dec. 23, 2020	0.35 - 0.65	3.03 - 3.25	1,540,000	962,500
Jan. 19 - Feb. 16, 2021	0.55 - 0.65	3.22 - 3.30	160,000	100,000
May 10 - Aug. 4, 2021	0.80 - 1.00	1.53 - 3.76	790,000	405,000
Mar 9 - May 27, 2022	0.30 - 0.40	4.36 - 4.57	3,200,000	200,000
	0.45	3.41	7,237,500	3,215,000



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- i. On November 8, 2020, the Company granted 600,000 incentive stock options to a director. The options have an exercise price of \$0.325, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter, through to the third anniversary.
- ii. On November 11, 2020, the Company granted 600,000 incentive stock options to a director and officer. The options have an exercise price of \$0.35, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.
- iii. On December 23, 2020, 515,000 options were granted to directors, officers and consultants of the Company. 500,000 options have an exercise price of \$0.65, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary of the date of grant. The remaining 15,000 stock options have an exercise price of \$0.65, vest immediately, and expire one year from the date of grant.
- iv. On January 19, 2021, 40,000 options were granted to an advisor. The options have an exercise price of \$0.55, expire five years from the date of grant, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary of the date of grant.
- v. On January 27, 2021, 40,000 options were granted to an advisor. The options have an exercise price of \$0.625, expire five years from the date of grant, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.
- vi. On February 12, 2021, 40,000 options were granted to an advisor. The options have an exercise price of \$0.60 and expire five years from the date of issuance. These options vest as to 25% immediately and 12.5% every six months thereafter, through to the third anniversary of the date of grant.
- vii. On February 16, 2021, 40,000 options were granted to an advisor. The options have an exercise price of \$0.60 and expire five years from the date of issuance. These options vest as to 25% upon grant and 12.5% every six months thereafter, through to the third anniversary of the date of grant.
- viii. On May 10, 2021, the Company issued 20,000 options to a consultant. The options have an exercise price of \$1.00 and expire three years from the date of issuance. The options vested immediately upon grant.
- ix. On June 23, 2021, 450,000 options were granted to a consultant. The options have an exercise price of \$0.80 and expire five years from the grant date. These options vest as to 25% immediately, and 12.5% every six months thereafter, through to the third anniversary.
- x. On August 4, 2021, 320,000 options were granted to an officer of the Company. The options have an exercise price of \$0.80 and expire five years from the grant date. These options vest as to 25% immediately and 12.5% every six months thereafter, through to the third anniversary of the grant date.
- xi. On December 23, 2021, 15,000 options expired unexercised. The options had an exercise price of \$0.65.


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- xii. On March 9, 2022, 2,400,000 options were granted to officers of the Company. The options have an exercise price of \$0.40 and expire five years from the grant date. These options vest over three years and will be subject to certain key performance indicators being met, and an annual review by the Board of Directors of the Company. Due to the resignation of these officers, subsequent to the year ended October 31, 2022 and prior to meeting their performance targets, these options did not vest and were cancelled.
- xiii. On May 27, 2022, 800,000 options were granted to directors, an officer, and a consultant of the Company. The options have an exercise price of \$0.30 and expire five years from the grant date. These options vest as to 25% immediately and 25% annually thereafter, through to the third anniversary of the grant date. Directors and officers were granted 700,000 options as part of this issuance.
- xiv. On September 13, 2022, directors of the Company exercised 172,500 options for total gross proceeds of \$57,000. The options had a weighted average exercise price of \$0.35. The fair value of the options of \$47,617 was transferred from contributed surplus to share capital on the statement of financial position as at October 31, 2022.

The fair value of the Company's stock options granted was estimated using the Black-Scholes option pricing model, using the following assumptions for the years ended October 31, 2022 and 2021:

	2022	2021
Expected volatility (based on historical share prices)	125%	110%-137%
Risk-free interest rate	1.65%-2.61%	0.22%-0.97%
Expected life (years)	5	1-5
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Underlying share price	\$0.30-\$0.40	\$0.35-\$0.875

The share-based compensation expense and charge to contributed surplus relating to the vesting of stock options for the year ended October 31, 2022 was \$365,025 (2021 - \$711,885). The weighted average fair value of each option granted during the year ended October 31, 2022 was approximately \$0.31 (2021 - \$0.49).

d) Warrants

The following is the warrants activity for the years ended October 31, 2022 and 2021:

	Number of Warrants	Weighted Average Exercise Price \$
Balance at October 31, 2020	8,653,074	0.55
Issued	9,654,816	0.71
Exercised	(1,646,972)	0.53
Balance at October 31, 2021	16,660,918	0.65
Issued	27,538	0.50
Expired	(14,253,628)	0.55
Balance at October 31, 2022	2,434,828	1.16



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The fair value of the Company's warrants issued was estimated using the Black-Scholes option pricing model, using the following assumptions for the years ended October 31, 2022 and 2021:

	2022	2021
Expected volatility (based on historical share prices)	125%	132%
Risk-free interest rate	1.65%	0.24%-0.27%
Expected life (years)	1.00	1.00-1.33
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Underlying share price	\$0.30	\$0.13-\$0.15

The following table summarizes the warrants outstanding at October 31, 2022:

Expiry Date	Exercise Price \$	Weighted Average Remaining Life (years)	Number of Warrants Outstanding
July 9, 2023	1.10 - 1.25	0.69	2,407,290
March 9, 2023	0.50	0.35	27,538
	1.16	0.68	2,434,828

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	October 31, 2022	October 31, 2021
Accounts payable	\$491,588	\$374,114
Accrued liabilities - MENDM ⁽¹⁾	884,325	884,325
Other accrued liabilities	87,621	138,199
	\$1,463,534	\$1,396,638

- (1) Prior to the acquisitions of Signature Exploration Ltd. and the Lingman Lake Property, the Ministry of Energy, Northern Development and Mines ("MENDM") had requested the removal of certain above ground storage tanks containing approximately 800,000 litres of fuel that was considered a mine hazard. Due to the failure of the prior owners to comply with MENDM's request for it to be cleaned up, MENDM took action and managed the disposition of the fuel at a cost of \$884,325.

10. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is subsequently reduced and recorded in the consolidated statements of loss and comprehensive loss on a pro-rata basis based on the corresponding eligible exploration expenditures that have been incurred. Total premium liability of \$180,828 was recognized in respect of the March 9, 2022 flow-through financing (note 8).

During the year ended October 31, 2022, \$180,828 (2021 - \$524,313) of deferred premium liability was recognized as income in the consolidated statements of loss and comprehensive loss.

11. REHABILITATION PROVISION

Historical work done by other companies on the Company's mining sites also resulted in MENDM issuing an order to the Company requiring the filing of a mine closure plan ("MCP"). Therefore, the rehabilitation provision recorded in these financial statements represents the estimate of the eventual legal and contractual obligations associated with a future closure of the Company's mining operations either progressively or at the end of the mine life. A draft MCP was submitted to MENDM in September 2021. The company is awaiting a response from MENDM to discuss the results of actions taken by the Company with respect to the MCP, and to discuss any further requirements needed to finalize the closure plan. The MCP obligations consist of estimated costs associated with reclamation and monitoring activities and the removal of tangible assets from the Company's mining sites.

A summary of the Company's rehabilitation provision is presented below:

As at October 31,	2022	2021
Balance, beginning of year	\$848,271	\$273,847
Change in estimate	(95,794)	574,424
Accretion expense	34,458	-
Balance, end of year	\$786,935	\$848,271

During the year ended October 31, 2021, the estimated costs of \$848,271 increased from the historic estimated costs of \$273,847 due to an expanded scope of work and a change of certain assumptions regarding inflation and the cost of capital. During the year ended October 31, 2022, the Company has recorded accretion expense of \$34,458 which is included in exploration and evaluation expenditures (note 6). The Company has recorded an adjustment to the liability on the statement of financial position at its present value amount, adjusted for 2.53% annual inflation, and discounted back to October 31, 2022, using a risk-free interest rate of 4.35%, which resulted in a change in estimate of \$(95,794), which is included in exploration and evaluation expenditures.

12. COMMITMENTS AND CONTINGENCIES

As at October 31, 2022, the Company has recorded an accrued liability for certain future costs detailed in the MCP and a rehabilitation provision (note 11) for its potential environmental liabilities.

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company announced a restructuring on November 15, 2022 which resulted in a number of executive and management changes. As part of the restructuring, certain executive officers and management consultants resigned their positions and the Company is committed to pay an aggregate of \$196,342 in salaries and fees as a result.

The Company has termination and change of control provisions included in its agreements with executive management. In the event of a transaction that constitutes a change of control of the

Company, certain amounts would be required to be paid out to those individuals based on their annual base fees and salaries, if certain conditions are met. These contracts contain minimum commitments of approximately \$884,425. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

The Company has indemnified the subscribers of flow-through share offerings against any tax related amounts that became payable by the shareholder as a result of the Company not meeting its commitments. As at October 31, 2022, the Company believes it has incurred all of its eligible exploration expenditures with respect to the flow-through financings.

13. MANAGEMENT OF CAPITAL

The Company considers its capital structure to include the components of shareholders' equity (deficiency). Management's objective is to ensure that there is sufficient capital to support the Company's exploration and corporate activities. In doing so, the Company strives to safeguard its ability to continue as a going concern in order to pursue its principal business of exploration and thereby maximize shareholder returns. As the Company has no revenue from operations, it must self-finance. Historically, the Company has been successful in the past in obtaining financing from private equity placements, however there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended October 31, 2022 and 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than that of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months.

As at October 31, 2022, the Company is not in compliance with the TSXV capital requirements. The consequences of non-compliance are at the discretion of the TSXV.

14. FINANCIAL INSTRUMENTS

Categories and fair value of financial instruments

The Company's financial instruments consist of cash, investments, amounts receivable, and accounts payable and accrued liabilities. The carrying values of the Company's short-term financial assets and liabilities approximate their fair values due to their short periods to maturity.

The following table summarizes the categories and fair values of the Company's financial instruments:

As at October 31, 2022				
	Carrying Value			Fair Value
	FVTPL	FVTOCI	Amortized Cost	Total
Financial Assets and Liabilities			\$	\$
Cash	-	-	3,219	3,219
Investments	-	-	57,500	57,500
Amounts receivable	-	-	52,071	52,071
Accounts payable and accrued liabilities	-	-	(1,463,534)	(1,463,534)



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As at October 31, 2021				
	Carrying Value			Fair Value Total
	FVTPL	FVTOCI	Amortized Cost	
Financial Assets and Liabilities			\$	\$
Cash	-	-	75,281	75,281
Investments	-	-	1,350,000	1,350,000
Amounts receivable	-	-	254,546	254,546
Accounts payable and accrued liabilities	-	-	(1,396,638)	(1,396,638)

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and investments. To minimize the credit risk on cash the Company places the instruments with a high credit quality financial institution.

Liquidity Risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its capital, administrative, and exploration and evaluation expenditures. The objective of this process is to ensure that it secures sufficient cash to meet these planned expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or less or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset-backed commercial paper or similar instruments.

Foreign Exchange Risk

The Company does not have significant foreign exchange risk as most of its transactions are in Canadian dollars.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

15. INCOME TAXES

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2021 – 26.5%) were as follows:


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	2022	2021
	\$	\$
Loss before income taxes:	(4,361,520)	(7,796,597)
Expected income tax (recovery) based on statutory rate	(1,156,000)	(2,066,000)
Adjustment to expected income tax benefit:		
Flow-through renunciation	287,000	1,318,000
Non-deductible expenses and other	97,000	189,000
Change in unrecorded deferred tax asset	772,000	559,000
Deferred income tax provision (recovery)	-	-

b) Deferred Income Taxes:

Deferred taxes are as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

	2022	2021
	\$	\$
Unrecognized temporary differences		
Non-capital loss carry-forwards	5,520,000	4,206,000
Share issue costs	291,000	327,000
Mineral property costs	6,536,000	5,117,000
Other temporary differences	1,526,000	1,231,000
Total	13,873,000	10,881,000

The non-capital loss carry-forwards expire from 2030 to 2042. The other temporary differences do not expire under current legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

16. SUBSEQUENT EVENTS

- a. On December 6, 2022, the Company completed a share consolidation of its share capital on the basis of five (5) pre-consolidation common shares for one (1) post-consolidation common share. Prior to the consolidation, the Company had 275,698,162 common shares issued and outstanding. As at the December 6, 2022 effective date, the Company had approximately 55,139,632 post-consolidated common shares issued and outstanding.
- b. On February 24, 2023, the Company announced the upsizing of its non-brokered private placement through the issuance of 25,760,050 shares to raise proceeds of \$1,030,402 (the "Offering") at a price of \$0.04 per share, which was previously announced on November 15, 2022, and February 7, 2023. Over half of the Offering is subscribed for by members of the Company's board of directors. There is no guarantee this private placement will be completed as described or at all.

Completion of the Offering remains subject to the approval of the TSX Venture Exchange. All securities issued in connection with the Offering will be subject to a four-month-and-one-day statutory hold period. The Company anticipates paying a 7% finder's fee, payable in cash, to certain eligible parties



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who have placed subscribers in the Offering. The proceeds from Offering will be used by the Company for general corporate purposes.

- c. See note 12 regarding management restructuring announced on November 15, 2022.
- d. Subsequent to October 31, 2022, 2,400,000 options were cancelled. The options had a weighted average exercise price of \$0.40.
- e. Subsequent to the year ended October 31, 2022, the Company entered into a short-term loan agreement with a director of the Company in the amount of \$200,000. The amount is unsecured, non-interest bearing, and due on demand.