GoldON Resources Ltd.

(An exploration stage company)

Financial Statements

(Expressed in Canadian Dollars)

June 30, 2022 and 2021

Contents

Crowe

Crowe MacKay LLP
1100 - 1177 West Hastings Street
Vancouver, BC V6E 4T5
Main +1 (604) 687-4511
Fax +1 (604) 687-5805
www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of GoldON Resources Ltd.

Opinion

We have audited the financial statements of GoldON Resources Ltd. (the "Company"), which comprise the statements of financial position as at June 30, 2022 and June 30, 2021 and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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 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 financial statements in Canada, and 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 to the financial statements which describes the material uncertainty that may 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 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 on the audit resulting in this independent auditor's report is Diana Huang.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
September 21, 2022

GoldON Resources Ltd.

(An exploration stage company)

Statements of Financial Position

(Expressed in Canadian Dollars)

		June 30 2022		June 30 2021
ASSETS				
Current				
Cash and cash equivalents	$	345,134	$	798,181
Accounts receivable		6,995		210,008
Marketable securities (note 5)		21,000		37,500
Prepaid expenses		19,100		54,214
		392,229		1,099,903
Reclamation deposits (note 6)		9,151		9,248
Equipment		760		948
Exploration and evaluation assets (note 7)		4,449,523		4,799,072
	$	4,851,663	$	5,909,171
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	31,342	$	79,344
SHAREHOLDERS' EQUITY				
Share capital (note 8)		20,107,833		19,975,433
Share-based payment reserve (note 8)		1,763,495		1,763,495
Deficit		(17,051,007)		(15,909,101)
		4,820,321		5,829,827
	$	4,851,663	$	5,909,171

Nature and continuance of operations (note 1)

Approved on behalf of the board on September 21, 2022

"Michael Romanik"	*"Jeff Smulders"*
Michael Romanik	Jeff Smulders

The accompanying Notes to the Financial Statements are an integral part of these financial statements

GoldON Resources Ltd.

(An exploration stage company)

Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

Years ended June 30, 2022 and 2021

		2022		2021
Expenses				
Consulting (note 9)	$	111,869	$	153,493
Depreciation		188		236
Insurance		12,491		10,480
Interest and bank charges		450		1,351
Management and administration fees (note 9)		94,000		89,000
Office		7,830		18,407
Professional fees (note 9)		49,538		39,696
Telephone		3,201		4,265
Transfer agent and filing fees		19,822		48,788
Travel and promotion		48,995		288,569
Operating loss		(348,384)		(654,285)
Other income (expense)				
Interest income		2,523		2,714
Unrealized gain (loss) on investments (note 5)		(30,500)		7,500
Writedown of exploration and evaluation assets (note 7)		(765,545)		-
Other income		-		107,643
		(793,522)		117,857
Net and comprehensive loss	$	(1,141,906)	$	(536,428)
Loss per share - basic and diluted	$	(0.05)	$	(0.03)
Weighted average number of shares outstanding		24,806,402		20,967,971

The accompanying Notes to the Financial Statements are an integral part of these financial statements

GoldON Resources Ltd.

(An exploration stage company)

Statements of Changes in Equity

(Expressed in Canadian Dollars)

Years ended June 30, 2022 and 2021

	Issued Share Capital Number	Issued Share Capital Amount	Share-based Payment Reserve	Deficit	Total
Balances, June 30, 2020	**17,208,432**	**$ 16,372,604**	**$ 1,772,064**	**$ (15,372,673)**	**$ 2,771,995**
Shares and warrants issued for cash	3,919,244	2,856,100	-	-	2,856,100
Allocation of proceeds to flow-through share premium	-	(18,081)	-	-	(18,081)
Shares issued upon exercise of options and warrants	2,451,616	555,570	(83,013)	-	472,557
Shares issued for exploration and evaluation assets	755,000	384,625	-	-	384,625
Share issuance costs	-	(175,385)	74,444	-	(100,941)
Net loss	-	-	-	(536,428)	(536,428)
Balances, June 30, 2021	**24,334,292**	**19,975,433**	**1,763,495**	**(15,909,101)**	**5,829,827**
Shares issued for exploration and evaluation assets	630,000	132,400	-	-	132,400
Net loss	-	-	-	(1,141,906)	(1,141,906)
Balances, June 30, 2022	**24,964,292**	**$ 20,107,833**	**$ 1,763,495**	**$ (17,051,007)**	**$ 4,820,321**

The accompanying Notes to the Financial Statements are an integral part of these financial statements

GoldON Resources Ltd.

(An exploration stage company)

Statements of Cash Flows

(Expressed in Canadian Dollars)

Years ended June 30, 2022 and 2021

		2022		2021
Operating activities				
Net loss	$	(1,141,906)	$	(536,428)
Adjustments for items not involving cash:				
Depreciation		188		236
Unrealized loss (gain) on investments		30,500		(7,500)
Writedown of exploration and evaluation assets		765,545		-
Other income		-		(107,643)
		(345,673)		(651,335)
Changes in non-cash working capital:				
Accounts receivable		203,013		(148,790)
Prepaid expenses		35,114		(46,682)
Accrued interest		97		-
Accounts payable and accrued liabilities		(48,002)		(121)
		(155,451)		(846,928)
Investing activity				
Investments in exploration and evaluation assets		(297,596)		(2,524,185)
Financing activity				
Proceeds from issuance of shares and warrants, net		-		3,227,716
Net change in cash and cash equivalents		(453,047)		(143,397)
Cash and cash equivalents, beginning of year		798,181		941,578
Cash and cash equivalents, end of year	$	345,134	$	798,181
Supplemental cash flow information				
Interest received	$	4,104	$	108
Income taxes paid		-		-

Non-cash financing and investing transactions (note 11)

The accompanying Notes to the Financial Statements are an integral part of these financial statements

1. Nature and Continuance of Operations

The Company was incorporated on June 14, 1977 under the laws of the Province of British Columbia, Canada.

The Company is in the business of exploring its mineral exploration assets and has not yet determined whether these properties contain ore reserves that are economically recoverable. As of June 30, 2022, the Company was in the exploration stage and had interests in properties in Ontario, Canada.

These financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern and the recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof.

The Company has sustained losses from operations and has an ongoing requirement for capital investment to explore its exploration and evaluation assets. As of June 30, 2022, the Company had working capital of $360,887 (2021 – $1,020,559). Based on its current plans, budgeted expenditures and cash requirements, the Company does not have sufficient cash to finance its current plans and will need to raise substantial additional capital to accomplish its plans over the next several years. The Company expects to seek additional financing through equity financing, though there can be no assurance as to the availability or terms upon which such financing might be available.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine and potential economic global challenges, such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The address of the Company's office is 179 – 2945 Jacklin Road, Suite 416, Victoria, British Columbia, V9B 6J9, Canada.

2. Significant Accounting Policies

Basis of Presentation

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee ("IFRIC"). The policies applied in these financial statements are based on IFRS issued and outstanding as of the date the Board of Directors approved these financial statements.

These financial statements are presented in the Company's functional and presentation currency – the Canadian dollar – on a historical cost basis except for certain items that are measured at fair value. The accounting policies described herein have been applied consistently to all periods presented in these financial statements.

Financial Instruments

The Company recognizes a financial asset or financial liability in the Statements of Financial Position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement
The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

a) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
b) those to be measured subsequently at amortized cost.

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

Classification and Measurement (continued)
The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

a) amortized cost;
b) FVTPL if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
c) FVTOCI when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at FVTOCI or amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company's financial assets consist of cash and cash equivalents and marketable securities which are classified and measured at FVTPL with realized and unrealized gains or losses related to changes in fair value reported in profit or loss, and reclamation deposits which are classified at amortized cost. The Company's financial liabilities consist of accounts payable and accrued liabilities which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

Impairment
The Company assesses all information available including, on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available and reasonable and supportive forward-looking information.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash and cash equivalents to include amounts held in banks and cashable highly liquid investments with limited interest and credit risk. The Company places its cash and cash investments with institutions of high creditworthiness.

Equipment

Equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use, along with the future cost of dismantling and removing the asset. Equipment is amortized using the declining-balance method at a rate of 20% per year.

Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and pre-exploration expenses, are expensed in the year in which they occur.

2. Significant Accounting Policies (continued)

Exploration and Evaluation Assets (continued)

The Company may occasionally enter into option arrangements whereby the Company will transfer part of a mineral interest as consideration for an agreement by the transferee to meet certain exploration and evaluation expenditures, which would otherwise be undertaken by the Company. The Company does not record any expenditures made by the optionee on its behalf. Any consideration received from the agreement is credited against the costs previously capitalized to the exploration and evaluation asset given up by the Company with any excess consideration accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation costs in excess of estimated recoveries are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment at each reporting date and when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets. Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits.

2. Significant Accounting Policies (continued)

Decommissioning Provision

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate and the liability is recognized at the time environmental disturbance occurs. The resulting costs are capitalized to the corresponding asset. The provision for closure and reclamation liabilities is estimated using expected cash flows based on internal estimates discounted at a pre-tax rate specific to the liability. The capitalized amount is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows.

Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost.

Costs of reclamation projects for which a provision has been recorded are recorded directly against the provision as incurred, most of which are incurred upon cessation of exploration and evaluation or at the end of the life of a mine.

Loss per Share

The Company uses the treasury stock method of calculating diluted per share amounts whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the year. The assumed conversion of outstanding common share options and warrants had an anti-dilutive impact in 2022 and 2021. There were 4,298,283 outstanding options and warrants as of June 30, 2022 (2021 – 5,442,633) that were not included in the calculation of diluted per share amounts.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the year.

Share Capital

The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Commissions and finders' fees paid to underwriters, agents and finders and other related share issue costs, such as legal, auditing and printing, on the issue of the Company's shares are charged directly to share capital.

2. Significant Accounting Policies (continued)

Share Capital (continued)

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing trade price on the announcement date. The balance, if any, is allocated to attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

Income Taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets requiring a substantial period to get ready for their intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense.

2. Significant Accounting Policies (continued)

Share-based Compensation

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are considered by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

2. Significant Accounting Policies (continued)

Flow-Through Shares

The Company will, from time to time, issue flow-through common shares to finance its exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. Upon issuance, the Company bifurcates the flow-through share into: (i) share capital; and (ii) a flow-through share premium equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability. Upon expenses being renounced, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the investors. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. As of June 30, 2022 and 2021, the Company had no unspent flow-through commitment.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Impairment of Long-Lived Assets

Management evaluates non-current assets at each reporting period for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit (“CGU”), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU’s fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount.

Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the financial statement date and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

2. Significant Accounting Policies (continued)

Significant Accounting Estimates and Judgments (continued)

These financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future periods.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to:

Exploration and evaluation expenditures
The application of the Company's accounting policy for exploration and evaluation expenditures requires estimate in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to profit or loss in the year the new information becomes available.

Reclamation and environmental obligations
Reclamation provisions have been created based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates consider any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed at least annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year.

Actual reclamation costs will ultimately depend on future market prices for the reclamation costs, which will reflect the market condition at the time of reclamation costs are actually incurred. The final cost of the currently recognized reclamation provisions may be higher or lower than currently provided for.

2. Significant Accounting Policies (continued)

Significant Accounting Estimates and Judgments (continued)

Critical Accounting Judgments
Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company made the following critical accounting judgment:

Going concern
The preparation of these financial statements requires management to make judgements regarding the ability of the Company to continue as a going concern as discussed in Note 1.

New Accounting Standards and Interpretations Not Yet Adopted

Amendment to IAS 1: Presentation of Financial Statements
In January 2020, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively. The Company is currently assessing the impact of this amendment.

3. Capital Management

The Company manages its capital to continue as a going concern largely through issuances of shares. These share issues depend on several factors, including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management. The capital structure of the Company consists of shareholders' equity, comprising share capital, share-based payment reserve and deficit. The Company is not subject to any external capital requirements. There were no changes to the Company's approach to capital management during the year ended June 30, 2022.

4. Financial Instruments

The fair value of the Company's reclamation deposits and accounts payable and accrued liabilities approximate their carrying value due to the short-term nature of these instruments unless otherwise noted. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

4. Financial Instruments (continued)

The Company monitors and manages the risks relating to its financial instruments through analysis of exposures by degree and magnitude of risks. These risks include credit risk, market risk and liquidity risk.

Credit risk

Credit risk refers to the risk that another entity will default on its contractual obligations resulting in financial loss to the Company. As of June 30, 2022, such contractual obligations comprised cash and cash equivalents held with high creditworthy financial institutions in the amount of $345,134 (2021 – $798,181) and deposits with or pledged to the Province of British Columbia in the amount of $9,151 (2021 – $9,248). Management considers this risk to be negligible.

Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Company does not currently hold any financial instruments that mitigate this risk with respect to its cash and cash equivalents, which as of June 30, 2022 totaled $345,134 (2021 – $798,181), nor its marketable securities, which had a fair value on June 30, 2022 of $21,000 (2021 – $37,500).

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due or can only do so at excessive cost. As of June 30, 2022, the Company had working capital of $360,887 (2021 – $1,020,559). Management anticipates that the Company will be able to meet its obligations as they become due.

Fair Value Hierarchy

Financial instruments recorded at fair value in the Statements 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); and
Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Expressed in Canadian Dollars)

4. Financial Instruments (continued)

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 following tables present the financial instruments recorded at fair value in the Statements of Financial Position, classified using the fair value hierarchy described above:

Assets as at June 30, 2022	Level 1	Level 2	Level 3
Cash and cash equivalents	$345,134	$ -	$ -
Marketable securities	21,000	-	-

Assets as at June 30, 2021	Level 1	Level 2	Level 3
Cash and cash equivalents	$798,181	$ -	$ -
Marketable securities	37,500	-	-

5. Marketable Securities

Investments in shares comprised the following:

	Number of Shares	Cost	Accumulated Unrealized Loss	Fair Value 2022	Fair Value 2021
BTU Metals Corp.	600,000	$44,000	$(23,000)	$21,000	$37,500

6. Reclamation Deposits

As of June 30, 2022, bank term deposits totaling $9,151 (2021 – $9,248) have been posted as reclamation bonds with the Province of British Columbia, Canada. The term deposits bear interest at a weighted average rate of 0.5% per annum (2021 – 1.1%).

7. Exploration and Evaluation Assets

Slate Falls

The Company owns a 100% interest in the Slate Falls Project located near Slate Falls in northwestern Ontario. To acquire the property, the Company paid $145,550, issued 120,000 shares with an average value of $0.17 per share, and granted to the vendor a 2% net smelter returns royalty, of which the Company may repurchase half for $1,000,000.

In June 2022, management determined that the asset was impaired and wrote down the carrying amount to $Nil.

West Madsen

The Company owns a 100% interest in the West Madsen Project comprising two contiguous claim blocks in Ontario's Red Lake gold camp. To purchase the property, the Company paid $175,000, issued 1,375,000 shares with a fair value of $0.36 per share and granted to the vendor a 2.5% net smelter returns royalty. The Company may repurchase 40% of the royalty for $500,000.

The Company also acquired 100% of the Flat Lake and Madsen Medicine Stone claim groups adjacent to the original West Madsen Project. The Company paid a total of $80,000, issued 250,000 shares with an average value of $0.82 per share and granted to the vendor a 2% net smelter returns royalty. The Company may repurchase half of the royalty for $1,000,000.

Red Lake

The Company owns a 100% interest in the McDonough and Pipestone Bay properties located near Red Lake, Ontario. To purchase the properties, the Company paid $45,100, issued 110,000 shares with a fair value of $0.51 per share and granted to the vendor a 1.5% net smelter returns royalty. The Company may repurchase one-half of the royalty for $400,000.

7. Exploration and Evaluation Assets (continued)

Pakwash North

The Company owns a 100% interest in the Pakwash North Project located approximately 36 kilometres southeast of Red Lake, Ontario. To purchase the property, the Company paid $51,500, issued 110,000 shares with a fair value of $0.47 per share, and granted a 1.5% net smelter returns royalty of which the Company may repurchase half for $400,000.

In March 2021, the Company entered into an agreement with BTU Metals Ltd. ("BTU") granting BTU an option to acquire up to an 80% ownership interest in the Pakwash North property. To exercise its option, BTU must pay to the Company cash totalling $75,000 (of which $35,000 has been received), issue 1,400,000 common shares of BTU (of which 600,000 shares with a fair value of $0.07 per share have been received), and incur exploration expenditures on the property of not less than $1,000,000 over three years. BTU, at its discretion, may elect to stay at certain, fixed percentages over the course of the option, at which time a definitive joint venture agreement will be entered into by the companies.

McInnes Lake

In February 2021, the Company staked the McInnes Lake property, which comprises certain contiguous claims located 117 kilometres north of Red Lake, Ontario.

Red Lake North

In February 2021, the Company acquired an option to purchase the Red Lake North property located approximately 65 kilometres north of Red Lake, Ontario. To purchase the property, the Company must pay the optionor $109,000 over two years (of which $63,000 has been paid), issue 90,000 shares over two years (of which 60,000 shares with a fair value of $0.29 per share have been issued), and grant a 1.5% net smelter returns royalty of which the Company may repurchase half for $600,000.

Springpole East

In December 2021, the Company entered into an option to acquire the Springpole East property located approximately 40 kilometres northwest of the Slate Falls First Nation community. To exercise its option, the Company must pay the optionors $87,000 (of which $17,000 has been paid), issue 200,000 shares (of which 100,000 shares with a fair value of $0.195 per share have been issued), and grant a 1.5% net smelter returns royalty of which the Company may repurchase one-third for $500,000.

8. Share Capital

Authorized

An unlimited number of common shares without par value

Common Shares

In August 2020, the Company issued 125,000 common shares at a price of $0.62 per share pursuant to an option to purchase an exploration and evaluation asset.

In September 2020, the Company issued 200,000 common shares at a price of $0.20 per share upon the exercise of warrants.

In September 2020, the Company completed a private placement of 1,000,000 units at a price of $0.50 per unit. Each unit consisted of one common share and one share purchase warrant. Each warrant, in turn, entitles the holder to purchase an additional common share at a price of $0.75 until September 24, 2022. The Company paid finders' fees in respect of the offering totalling $28,800 in cash and 57,600 finders' warrants exercisable at $0.50 per share until September 24, 2022 and with a fair value of $19,505.

In November 2020, the Company issued 14,000 common shares at a price of $0.15 per share upon the exercise of stock options.

Between October and December 2020, the Company issued 715,000 common shares at a price of $0.20 per share upon the exercise of warrants.

In December 2020, the Company completed a private placement of 1,808,133 flow-through common shares at a price of $0.75 per share. The Company paid finders' fees in respect of the offering totalling $72,141 in cash and 96,188 finders' warrants exercisable at $0.75 per share until December 2, 2022 and with a fair value of $54,939. The Company estimated the fair value of the portion of the flow-through shares relating to the flow-through premium at $0.01 per share.

Also in December 2020, the Company completed a private placement of 1,111,111 units at a price of $0.90 per unit. Each unit consisted of one common share and one share purchase warrant. Each warrant, in turn, entitles the holder to purchase an additional common share at a price of $1.35 until December 8, 2022.

In December 2020, the Company issued 125,000 common shares at a price of $1.01 per share pursuant to an option to purchase an exploration and evaluation asset.

8. Share Capital (continued)

Common Shares (continued)

In January 2021, the Company issued 11,616 common shares at a price of $0.50 per share upon the exercise of warrants.

In February and March 2021, the Company issued 1,100,000 common shares at a price of $0.20 per share upon the exercise of warrants.

In February 2021, the Company issued 30,000 common shares at a price of $0.40 per share pursuant to an option to purchase an exploration and evaluation asset.

In March 2021, the Company issued 206,000 common shares at a price of $0.15 per share upon the exercise of stock options.

In March 2021, the Company issued 50,000 common shares at a price of $0.405 per share pursuant to an option to purchase an exploration and evaluation asset.

In April 2021, the Company issued 205,000 common shares at a price of $0.15 per share upon the exercise of stock options. The Company's common shares were trading at an average price of $0.38 per share during the period in which stock options were exercised during the year ended June 30, 2021.

In April 2021, the Company issued 375,000 common shares at a price of $0.355 per share pursuant to an option to purchase an exploration and evaluation asset.

In April 2021, the Company issued 50,000 common shares at a price of $0.31 per share pursuant to an option to purchase an exploration and evaluation asset.

In September 2021, the Company issued 500,000 common shares at a price of $0.215 per share to exercise an option to purchase an exploration and evaluation asset.

In December 2021, the Company issued 100,000 common shares at a price of $0.195 per share pursuant to an option to purchase an exploration and evaluation asset.

In January 2022, the Company issued 30,000 common shares at a price of $0.18 per share pursuant to an option to purchase an exploration and evaluation asset.

(Expressed in Canadian Dollars)

8. Share Capital (continued)

Warrants

A summary of the Company's warrants outstanding as of June 30, 2022 and 2021, and the changes for the years ending on those dates are as follows:

	2022		2021	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	3,397,633	$ 1.02	3,544,350	$ 0.45
Issued	-	-	2,264,899	1.04
Exercised or expired	(1,144,350)	0.98	(2,411,616)	0.20
Balance, end of year	2,253,283	$ 1.04	3,397,633	$ 1.02

A summary of warrants outstanding as of June 30, 2022 and 2021 is as follows:

		Number of Warrants Outstanding and Exercisable	
Exercise Price Per Share	Expiry Date	2022	2021
$1.00	September 27, 2021	-	827,500
$0.65	September 27, 2021	-	35,850
$1.00	October 3, 2021	-	200,000
$0.50	October 3, 2021	-	12,000
$1.00	February 19, 2022	-	69,000
$0.75	September 24, 2022	1,000,000	1,000,000
$0.50	September 24, 2022	45,984	45,984
$0.75	December 2, 2022	96,188	96,188
$1.35	December 8, 2022	1,111,111	1,111,111
		2,253,283	3,397,633

In respect of private placements in September and December 2020, respectively, the Company issued finders' warrants to purchase 57,600 shares of the Company at a price of $0.50 per share until September 24, 2022 and 96,188 shares at a price of $0.75 per share until December 2, 2022. The fair value of finders' warrants was estimated using the Black-Scholes option valuation model with the following assumptions:

(Expressed in Canadian Dollars)

8. Share Capital (continued)

Warrants (continued)

	Total or Weighted Average 2022	2021
Number of finders' warrants	-	153,788
Estimated life	-	2 years
Share price at date of issuance	-	$ 0.77
Finders' warrant exercise price	-	$ 0.66
Risk-free interest rate	-	0.26%
Estimated annual volatility based on historical volatility	-	120%
Expected dividends	-	-
Finders' warrant fair value	-	$ 0.48
Value of finders' warrants	-	$ 74,444

Share-Based Compensation

The Company adopted, and its shareholders approved, a stock option plan whereby up to a maximum of 10% of the outstanding shares of the Company as of the date of grant are reserved for the grant and issuance of incentive stock options. Under the plan, the exercise price of an option may not be set at less than the minimum price permitted by the TSX Venture Exchange, and the options may be exercisable for up to 10 years. The aggregate number of options granted to any one individual during any twelve-month period may not exceed 5% of the issued shares of the Company, or 2% in the case of consultants and investor relations representatives. Stock options granted to investor relations representatives vest in four equal quarterly amounts on each three-month anniversary following the date of the grant. The Company granted no stock options during the years ended June 30, 2022 or 2021.

A summary of the Company's stock options as of June 30, 2022 and 2021, and the changes for the years ending on those dates are as follows:

	Options Outstanding			Options Exercisable		
	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Number Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
Balances, June 30, 2020	2,630,000	$ 0.41	3.4	2,630,000	$ 0.41	3.4
Options exercised	(425,000)	0.15		(425,000)	0.15	
Options expired	(160,000)	0.15		(160,000)	0.15	
Balances, June 30, 2021	2,045,000	0.48	3.2	2,045,000	0.48	3.2
Options granted	-	-		-	-	
Options exercised	-	-		-	-	
Balances, June 30, 2022	2,045,000	$ 0.48	2.2	2,045,000	$ 0.48	2.2

(Expressed in Canadian Dollars)

8. Share Capital (continued)

Share-Based Compensation (continued)

A summary of stock options outstanding as of June 30, 2022 and 2021 is as follows:

		Number of Stock Options Outstanding and Exercisable	
Exercise Price Per Share	Expiry Date	2022	2021
$0.20	February 21, 2024	570,000	570,000
$0.65	July 29, 2024	200,000	200,000
$0.41	November 8, 2024	100,000	100,000
$0.60	November 24, 2024	1,175,000	1,175,000
		2,045,000	2,045,000

9. Related Party Transactions

The following transactions with related parties have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the parties:

Key Management Compensation

a) During the year ended June 30, 2022, the Company paid management and administration fees of $60,000 (2021 – $55,000) to a corporation controlled by the Company's Chief Executive Officer;
b) During the year ended June 30, 2022, the Company paid management and administration fees of $9,000 (2021 – $9,000) to the Company's Chief Financial Officer;
c) During the year ended June 30, 2022, the Company paid consulting and professional fees of $25,343 (2021 – $61,104) to a corporation controlled by the Company's Chief Compliance Officer; and
d) During the year ended June 30, 2022, the Company paid management and administration fees of $25,000 (2021 – $25,000) to the Company's Corporate Secretary.

As of June 30, 2022, the Company accrued $4,000 (2021 – $4,000) as payable to directors and officers of the Company in the ordinary course of business.

Amounts due to related parties are without interest, unsecured and without stated terms of repayment.

(Expressed in Canadian Dollars)

10. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2022	2021
Net loss	$ (1,141,906)	$ (536,428)
Income tax recovery at statutory rates of 27% (2021 – 27%)	(308,000)	(145,000)
Adjustments to benefit resulting from:		
Non-taxable (non-deductible) items for tax purposes	4,000	(30,000)
True-up	-	5,000
Tax benefits not recognized	304,000	170,000
Deferred income tax recovery	$ -	$ -

The components of the deferred income tax assets are as follows:

	2022	2021
Deferred income tax assets (liabilities):		
Non-capital loss carryforwards	$ 1,737,000	$ 1,629,000
Capital loss carryforwards	24,000	24,000
Unused cumulative Canadian development and exploration expenses	277,000	71,000
Unamortized equipment capital cost over net book value	21,000	21,000
Share issue costs and other	35,000	46,000
	2,094,000	1,791,000
Unrecognized tax benefits	(2,094,000)	(1,791,000)
Net deferred income tax assets	$ -	$ -

The Company has non-capital losses of approximately $6,433,000 available to reduce future years' income for tax purposes, the tax effect of which has not been recorded in the accounts. If unused, the losses will expire as follows:

(Expressed in Canadian Dollars)

10. Income Taxes (continued)

2026	$	162,000
2027		319,000
2028		298,000
2029		264,000
2030		623,000
2031		472,000
2032		450,000
2033		481,000
2034		417,000
2035		406,000
2036		297,000
2037		287,000
2038		202,000
2039		288,000
2040		359,000
2041		707,000
2042		401,000
	$	6,433,000

The Company also has approximately $5,477,000 in exploration and development expenses which are available indefinitely to reduce future years' income for tax purposes.

11. Non-Cash Financing and Investing Transactions

During the year ended June 30, 2022, the Company issued 630,000 common shares with a fair value of $132,400 pursuant to options to purchase exploration and evaluation assets. The Company also received 350,000 BTU Metals Corp. shares with a fair value of $14,000 as an option payment in respect of the Pakwash North property.

During the year ended June 30, 2021, the Company issued a total of 153,788 warrants with a fair value of $74,444 as finders' fees in respect of a private placement, and issued 755,000 common shares with a fair value of $384,625 pursuant to options to purchase exploration and evaluation assets. The Company also received 250,000 BTU Metals Corp. shares with a fair value of $30,000 as an option payment in respect of the Pakwash North property. In addition, fair value of $83,013 was transferred from share-based payment reserve to share capital upon the exercise of options and warrants.

GoldON Resources Ltd.

(An exploration stage company)

Schedule of Exploration and Evaluation Assets

(Expressed in Canadian Dollars)

Year ended June 30, 2022

	Slate Falls	West Madsen	Red Lake	Pakwash North	McInnes Lake	Red Lake North	Springpole East	Totals
Acquisition costs								
Option payments, cash	$ -	$ -	$ 15,000	$ 25,000	$ -	$ 36,000	$ 17,000	$ 93,000
Option payments, shares	-	107,500	-	-	-	5,400	19,500	132,400
Proceeds from option granted	-	-	-	(39,000)	-	-	-	(39,000)
Staking and renewals	-	-	-	-	1,850	-	3,700	5,550
	-	107,500	15,000	(14,000)	1,850	41,400	40,200	191,950
Opening balance	124,288	855,475	97,971	41,484	30,050	43,600	-	1,192,868
	124,288	962,975	112,971	27,484	31,900	85,000	40,200	1,384,818
Deferred exploration expenditures								
Drilling	-	30,136	-	-	-	-	-	30,136
Geophysics	-	-	-	-	-	-	91,395	91,395
Prospecting and mapping	-	28,615	-	-	50,539	-	16,462	95,616
Reporting and analysis	-	5,068	113	-	444	924	350	6,899
	-	63,819	113	-	50,983	924	108,207	224,046
Opening balance	641,257	2,500,807	186,952	22,434	185,368	69,386	-	3,606,204
	641,257	2,564,626	187,065	22,434	236,351	70,310	108,207	3,830,250
Writedown of exploration and evaluation assets	(765,545)	-	-	-	-	-	-	(765,545)
Balance, June 30, 2022	$ -	$ 3,527,601	$ 300,036	$ 49,918	$ 268,251	$ 155,310	$ 148,407	$ 4,449,523

The accompanying Notes to the Financial Statements are an integral part of these financial statements

GoldON Resources Ltd.

(An exploration stage company)

Schedule of Exploration and Evaluation Assets

(Expressed in Canadian Dollars)

Year ended June 30, 2021

	Slate Falls	West Madsen	Red Lake	Pakwash North	McInnes Lake	Red Lake North	Totals
Acquisition costs							
Option payments, cash	$ -	$ 155,000	$ 10,000	$ 12,000	$ -	$ 27,000	$ 204,000
Option payments, shares	-	336,875	15,500	20,250	-	12,000	384,625
Proceeds from option granted	-	-	-	(40,000)	-	-	(40,000)
Staking and renewals	-	1,100	3,134	-	30,050	4,600	38,884
	-	492,975	28,634	(7,750)	30,050	43,600	587,509
Opening balance	124,288	362,500	69,337	49,234	-	-	605,359
	124,288	855,475	97,971	41,484	30,050	43,600	1,192,868
Deferred exploration expenditures							
Drilling	-	1,752,603	-	-	-	-	1,752,603
Geochemistry	-	5,375	9,784	-	-	-	15,159
Geophysics	11,036	16,500	54,571	-	27,487	66,856	176,450
Prospecting and mapping	1,294	44,884	6,061	250	157,731	1,868	212,088
Reporting and analysis	-	-	788	-	150	662	1,600
	12,330	1,819,362	71,204	250	185,368	69,386	2,157,900
Opening balance	628,927	681,445	115,748	22,184	-	-	1,448,304
	641,257	2,500,807	186,952	22,434	185,368	69,386	3,606,204
Balance, June 30, 2021	$ 765,545	$ 3,356,282	$ 284,923	$ 63,918	$ 215,418	$ 112,986	$ 4,799,072

The accompanying Notes to the Financial Statements are an integral part of these financial statements