CanEx Metals

Annual Report

President's Message

Dear Shareholders;

CANEX Metals is pleased to report continued exploration and land consolidation during the year at the Company's Gold Range property, located in Northern Arizona's tier one mining jurisdiction. This district is emerging as an important heap-leach style bulk-tonnage gold opportunity. The 2021 Gold Range programs included mapping, surface sampling, and 2 drill campaigns, and continue to add to our understanding of these mineralized zones.

Strong reverse-circulation drill results continue to validate and de-risk Gold Range's exploration targets, with a three kilometre long mineralized target identified across the southern part of the claim block. This target stretches from CANEX's 2020 Eldorado discovery on the west, through the historic Malco Mine, to the historic Excelsior Mine on the east. 2021 drilling highlights the potential scale of this target, including intercepts of 1.3 g/t gold over 21.3 metres at the Eldorado Zone and 1.0 g/t gold over 59.5 metres at the Excelsior Zone, located three kilometres to the East. The Excelsior Zone is showing good potential for high grade heap-leach style mineralization, returning values of 1.6 g/t gold over 35.1 metres, 2.2 g/t gold over 24.2 metres, and 8.2 g/t gold over 4.6 metres.

2021 Metallurgical test work on 8 bottle roll samples from the Gold Range Project returned final cyanide soluble gold recoveries ranging from 94 to 99%, averaging 97%. This preliminary test work was conducted on drill samples from across the project and at a range of depths. These results further strengthen and de-risk Gold Range's potential as a heap-leach style, bulk-tonnage exploration target.

In the coming year the Company intends to continue aggressively advancing the Gold Range property. The ongoing current drill program is focused on expanding and delineating known mineralized zones along strike and to depth, and will test new targets. With continued exploration success, the Company will expand drilling efforts during 2022 to potentially support a first resource estimate on the Gold Range property.

Respectfully submitted
on behalf of the Board of Directors

"Shane Ebert"

Shane Ebert, Ph.D., P.Geo.
President

CANEX Metals Inc.
Consolidated Financial Statements
(Expressed in Canadian Dollars)
September 30, 2021 and 2020

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Calgary AB T2P 0P7
Canada

Independent Auditor's Report

To the Shareholders of CANEX Metals Inc.:

Opinion

We have audited the consolidated financial statements of CANEX Metals Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at September 30, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, 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 Group as at September 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 in the consolidated financial statements, which indicates that the Group incurred a net loss of $805,515 during the year ended September 30, 2021 and, as of that date, accumulated deficit of $16,253,508. These conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group'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 the information included in the Management 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 identified above 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 the Management Discussion and Analysis 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 the 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 judgment 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 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 Group'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 Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 John Leavitt.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta
December 22, 2021

CANEX Metals Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at September 30

		2021		2020
ASSETS				
Current Assets				
Cash (Note 4)	$	**1,198,099**	$	448,978
Accounts receivable (Note 5)		**5,248**		7,498
Mining exploration tax credit receivable (Note 16)		**-**		4,450
Prepaid expenses		**70,417**		36,811
Short-term investments (Note 6)		**619,686**		551,271
		1,893,450		1,049,008
Non-current Assets				
Exploration and evaluation asset advances and deposits (Note 7)		**37,874**		37,874
Exploration and evaluation assets (Note 7)		**1,947,701**		1,411,604
Equipment (Note 8)		**30**		48
		1,985,605		1,449,526
TOTAL ASSETS	$	**3,879,055**	$	2,498,534
EQUITY AND LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities (Note 9)	$	**186,395**	$	98,089
Non-current Liabilities				
Decommissioning obligation (Note 10)		**47,306**		33,300
TOTAL LIABILITIES		**233,701**		131,389
EQUITY				
Share capital (Note 11)		**17,789,834**		15,747,739
Reserves		**2,109,028**		2,067,399
Deficit		**(16,253,508)**		(15,447,993)
TOTAL EQUITY		**3,645,354**		2,367,145
TOTAL EQUITY AND LIABILITIES	$	**3,879,055**	$	2,498,534

Nature of operations and continuance of operations (Note 1)
Subsequent events (Note 23)

Approved by the Board

"Shane Ebert" **Director**

"Jean-Pierre Jutras" **Director**

See accompanying notes to consolidated financial statements.

CANEX Metals Inc.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)
For the years ended September 30

		2021		2020
Expenses				
General and administrative (Note 13)	$	**(449,531)**	$	(408,622)
Reporting to shareholders		**(18,466)**		(4,984)
Professional fees		**(44,435)**		(39,504)
Stock exchange and transfer agent fees		**(12,348)**		(10,136)
Depreciation		**(18)**		(31)
Pre-acquisition costs		**-**		(6,169)
Impairment (Note 7)		**(473,527)**		(17,847)
Loss before other items		**(998,325)**		(487,293)
Other items				
Dividend income		**-**		98,575
Interest and other		**2,769**		(852)
Gain from short-term investments		**190,041**		191,530
		192,810		289,253
Net loss and comprehensive loss for the year	$	**(805,515)**	$	(198,040)
Basic and diluted loss per share (Note 15)	$	**(0.01)**	$	0.00
Weighted average shares outstanding - basic and diluted (Note 15)		**68,164,460**		47,497,321

See accompanying notes to the consolidated financial statements.

CANEX Metals Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)
For the years ended September 30

		2021		2020
Decrease in cash and cash equivalents				
Operating activities				
Cash paid to suppliers and contractors (Note 18)	$	**(481,982)**	$	(464,033)
Cash used in operating activities		**(481,982)**		(464,033)
Investing activities				
Interest and other items (expended) received		**2,769**		(852)
Cash received on sale of short-term investments		**121,626**		92,550
Cash received from government grants		**4,450**		-
Cash expended on exploration and evaluation assets (Note 18)		**(797,342)**		(767,447)
Cash expended on exploration advances and deposits		**-**		(305)
Cash used by investing activities		**(668,497)**		(676,054)
Financing activities				
Share capital and warrant issue proceeds		**1,700,000**		1,206,039
Options exercised		**-**		15,000
Warrants exercised		**230,000**		249,079
Cash share issuance and transaction costs		**(30,400)**		(15,402)
Cash provided by financing activities		**1,899,600**		1,454,716
Increase in cash and cash equivalents		**749,121**		314,629
Cash (Note 4):				
Beginning of period		**448,978**		134,349
End of period	$	**1,198,099**	$	448,978

Supplementary information:
Interest and taxes
No cash was expended on interest or taxes during the years ended September 30, 2021 and September 30, 2020.

Non-cash transactions
2021

During the year ended September 30, 2021, the Company issued 185,185 common shares valued at $25,000 pursuant to an option agreement on the Gibson property. Additionally, the Company issued 750,000 common shares pursuant to an option agreement on the Gold Range Property. (See Note 7 – "Exploration and evaluation assets" for more information).

The Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments of $74,749 that is included in general and administrative expenses (Note 13). Refer to Note 14 – "Share-based compensation transactions" for further information.

2020
During the year ended September 30, 2020, the Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments of $37,416 included in general and administrative expenses (Note 13). Refer to Note 14 – "Share-based compensation transactions" for more information regarding this transaction. Additionally, the Company issued 121,951 common shares valued at $25,000 pursuant to an option agreement on the Gibson property. The acquisition was valued using the closing share price on the transaction date. See Note 7 – "Exploration and evaluation assets" for more information.

See accompanying notes to the consolidated financial statements.

CANEX Metals Inc.
Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)
As at September 30

	Common share capital	Reserves: Equity settled share based payments	Reserves: Warrants	Reserves: Other Reserves*	Reserves: Total Reserves	Deficit	Total
	$	$	$	$	$	$	$
Balance, September 30, 2019	**14,243,517**	**123,716**	**44,695**	**1,886,077**	**2,054,488**	**(15,249,953)**	**1,048,052**
Net and comprehensive loss for the year	-	-	-	-	-	(198,040)	(198,040)
Options issued	-	37,417	-	-	37,417	-	37,417
Private placement share issue	606,000	-	-	-	-	-	606,000
Share issuance costs	(6,441)	-	-	-	-	-	(6,441)
Options exercised	11,490	(5,490)	-	-	(5,490)	-	6,000
Warrants exercised	258,956	-	(10,289)	-	(10,289)	-	248,667
Share issuance costs	(1,953)	-	-	-	-	-	(1,953)
Share issuance – property acquisition (Note 7)	25,000	-	-	-	-	-	25,000
Share issuance costs	(1,504)	-	-	-	-	-	(1,504)
Private placement share issue	600,039	-	-	-	-	-	600,039
Share issuance costs	(5,164)	-	-	-	-	-	(5,164)
Warrants exercised	904	-	(492)	-	(492)	-	412
Option exercised	17,235	(8,235)	-	-	(8,235)	-	9,000
Share issuance costs	(340)	-	-	-	-	-	(340)
Balance, September 30, 2020	**15,747,739**	**147,408**	**33,914**	**1,886,077**	**2,067,399**	**(15,447,993)**	**2,367,145**
Net and comprehensive loss for the year	-	-	-	-	-	(805,515)	(805,515)
Warrants exercised	230,000	-	-	-	-	-	230,000
Share issuance – January 2021	1,700,000	-	-	-	-	-	1,700,000
Share issuance – property acquisition (Note 7)	25,000	-	-	-	-	-	25,000
Warrants expired – March 2021	33,120	-	(33,120)	-	(33,120)	-	-
Share issuance – property acquisition (Note 7)	84,375	-	-	-	-	-	84,375
Options issued – July 2021	-	74,749	-	-	74,749	-	74,749
Share issuance costs	(30,400)	-	-	-	-	-	(30,400)
Balance, September 30, 2021	**17,789,834**	**222,157**	**794**	**1,886,077**	**2,109,028**	**(16,253,508)**	**3,645,354**

*Other reserves is comprised of the aggregate of options and warrants that expired or were forfeited without exercise. These values were relieved from common share capital, share based payment reserve and warrants reserve respectively upon the expiry of the equity instrument.

See accompanying notes to the consolidated financial statements

1. Nature of operations and continuance of operations

CANEX Metals Inc. ("CANEX" or the "Company") is engaged in the business of mineral exploration and development in Canada. The Company was originally incorporated under the laws of the Province of Quebec, Canada and has been continued under the Alberta Business Corporations Act, Canada. The address of its primary office is Suite 815, 808 - 4th Avenue SW, Calgary, Alberta, Canada, T2P 3E8. The Company's common shares are listed on the TSX Venture Exchange under the trading symbol CANX.

Since inception, the efforts of the Company have been devoted to the acquisition, exploration and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether its mineral exploration properties contain ore reserves that are economically recoverable.

The Company incurred a net loss of $805,515 during the year ended September 30, 2021. The Company has a deficit of $16,253,508 at September 30, 2021. Operating expenses beyond September 30, 2022, increases in expenditures over budget for the twelve month period ended September 30, 2022, exploration programs and new property acquisitions will require additional financing. There can be no assurance that the Company will be successful in obtaining financing. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments which could be significant should the Company be unable to continue as a going concern.

2. Basis of presentation

a) Basis of presentation

These consolidated financial statements 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 Reporting Interpretations Committee ("IFRIC"), effective for the periods ended September 30, 2021 and 2020, using the significant accounting policies outlined in Note 3. The consolidated statements were authorized for issue by the board of directors on December 22, 2021.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments described in Note 12 and decommissioning obligation described in Note 10. In addition, these statements have been prepared using the accrual basis of accounting except for cash flow information.

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

b) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned US subsidiary, Canexco Inc. ("Canexco"). Canexco was incorporated by the Company on June 5, 2019 in Arizona, USA, to conduct its exploration and development business in the USA, (refer to Note 7 - "Exploration and evaluation assets" for more information). All intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are those entities that the Company controls through its power to govern the financial and operating policies of the subsidiary. Subsidiaries are fully consolidated from the date control is obtained and are de-consolidated from the date control ceases.

3. Significant accounting polices

a) New accounting policies

CANEX did not adopt any new accounting policies during the year ended September 30, 2021.

3. Significant accounting polices (continued)

b) Financial Instruments

The Company's financial instruments consist of the following:

Financial Assets	**Classification**
Cash	Financial asset measured at amortized cost
Accounts receivable	Financial asset measured at amortized cost
Short-term investments	Financial asset measured at fair value

Financial Liabilities	**Classification**
Accounts payable and accrued liabilities	Financial liabilities measured at amortized cost

The Company records financial assets initially at fair value and subsequently measures these financial assets at either amortized cost or fair value on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost if both of the following conditions are met:

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

If the financial asset is not measured at amortized cost as per the above, the financial asset is measured at fair value.

Financial assets measured at fair value
Financial assets measured at fair value are carried at fair value at each period end, with the related gains and losses recognized in profit or loss. The sale of equity investments is accounted for using trade date accounting.

Financial assets measured at amortized cost
Financial assets measured at amortized cost are recorded at fair value upon initial recognition, plus any applicable transaction costs that are directly attributable to the acquisition of the financial asset, and subsequently carried at amortized cost, using the effective interest method. A gain or loss on a financial asset that is measured at amortized cost is recognized in profit or loss when the financial asset is derecognized, impaired, or reclassified.

Financial liabilities measured at amortized cost
Financial liabilities measured at amortized cost are recorded at fair value upon initial recognition, less any applicable transaction costs that are directly attributable to the acquisition of the financial liability, and are subsequently measured at amortized cost using the effective interest method. A gain or loss on a financial liability that is measured at amortized cost is recognized in profit or loss when the financial liability is derecognized.

Impairment of financial assets
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost using the “simplified method”. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss as an impairment gain or loss, the amount of expected

3. Significant accounting polices (continued)
b) Financial Instruments (continued)

credit losses that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

The carrying amount of financial assets is reduced by any impairment loss directly except in the case of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of accounts receivable previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in earnings.

If, in a subsequent period, the amount of the impairment loss decreases for financial assets except accounts receivable, and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined had no impairment loss been recognized in prior years.

Cash
Cash includes cash held in Canadian dollar and US dollar current accounts, highly liquid Canadian dollar denominated investments in bankers' acceptances or term deposits, with terms to maturity of 90 days or less when acquired and cash held in short-term investment accounts. The counter-parties are financial institutions.

c) Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation discounted using the pre-tax, risk-free rate, updated at each reporting date.

d) Decommissioning obligation

Decommissioning obligation includes obligations related to future removal of property and equipment, and site restoration costs. A liability, for the fair value of environmental and site restoration obligations, is recorded in accordance with the broader policy described in "c) Provisions" above. Provisions for restoration costs do not include any additional obligations that are expected to arise from future disturbance. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to earnings in a systematic manner. Other movements in the provision, including those from new disturbance, updated cost estimates, changes to the lives of operations and revisions to discount rates are capitalized to exploration and evaluation assets. The amounts included in capitalized costs are depleted using the unit-of-production method at such point that the mineral property achieves commercial production, or the costs will be written-off at such time that management considers that the value of the related property has been impaired.

e) Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties. The Company capitalizes costs directly related to the acquisition, exploration and evaluation of mineral properties. Such costs include, but are not restricted to, geological, geophysical, drilling, trenching and sampling costs including the support costs and supplies required in relation thereto. These assets are recorded at cost as adjusted for impairments in value. Impairment is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. In assessing impairment, exploration and evaluation assets are grouped into Cash Generating Units ("CGU's"), on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals,

3. Significant accounting polices (continued)
e) Exploration and evaluation assets (continued)

into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest and a CGU.

Exploration and evaluation assets are reviewed for impairment if there is an indication that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of "value in use" (being the net present value of expected future cash flows of the relevant cash generating unit ("CGU"), or "fair value less costs to sell". Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Company could receive for the assets in an arm's length transaction.

The discount rate applied in calculating net present value of expected future cash flows, is based upon pre-tax discount rates that reflect current market assessments of the time value of money and the risks associated with the relevant cash flows, to the extent that such risks are not reflected in the forecasted cash flows.

If the carrying amount of the asset exceeds its recoverable amount, the asset impairment loss is charged to earnings and reduces the carrying amount of the asset. A previously recognized impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally precipitated the impairment. This reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior years.

An impairment loss may be reversed in a situation where there is a change in the circumstances that had initially dictated that an impairment had occurred. An example of such a situation might include, but not be limited to, the re-commencement of exploration activity on a mineral property due to a significant change in commodity prices.

Although not an exhaustive list, one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

Where the Company's exploration commitments for a CGU are performed under option agreements with a third party, the proceeds of any option payments under such agreements are applied to the CGU to the extent of costs incurred. The excess, if any, is credited to operations. Option payments made by the Company are recorded as exploration and evaluation assets. Options are exercisable entirely at the discretion of the optionee and accordingly, are recorded as exploration and evaluation assets or recoveries when the payments are made or received. The proceeds on the sale of exploration and evaluation assets are applied to the area of interest to the extent of costs incurred and the excess, if any, is credited to operations. In some circumstances option payments received by or made by the Company are made in whole or in part through the issuance of common shares. The value of these share-based payments is calculated using the closing price of the shares on the date of issue as determined by the public exchange upon which they are listed as this is the most readily determinable value.

3. Significant accounting polices (continued)
e) Exploration and evaluation assets (continued)

When the Company enters the development stage for a CGU, the exploration and evaluation costs are transferred into mine development costs and all subsequent expenditures on the construction, installation or completion of infrastructure net of incidental revenue, is capitalized. Upon commencement of commercial production, all mine development assets for the relevant CGU are transferred to producing mine assets at which point the costs will commence being charged to earnings on a unit-of-production basis.

f) Equipment

On initial recognition, equipment assets are valued at cost, being the purchase price plus the directly attributable costs of acquisition to bring the assets to the location and condition necessary for the assets to be put into use. Subsequent to acquisition, these assets are recorded at cost less accumulated depreciation. Depreciation methods and rates by significant categories of property and equipment that are calculated to write off the cost of the assets, less estimated residual values, over their useful lives. The method and rates used by category are as follows:

	Depreciation method	Depreciation rate
Computer equipment and software	Declining balance	50%

Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Changes to estimated residual values or useful lives are accounted for prospectively as a change in estimates.

Equipment is reviewed for impairment if there is an indication that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of "value in use" (being the net present value of expected future cash flows of the relevant cash generating unit ("CGU"), or "fair value less costs to sell"). Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Company could receive for the assets in an arm's length transaction.

The discount rate applied in calculating net present value of expected future cash flows, is based upon pre-tax discount rates that reflect current market assessments of the time value of money and the risks associated with the relevant cash flows, to the extent that such risks are not reflected in the forecasted cash flows.

If the carrying amount of the asset exceeds its recoverable amount, the asset impairment loss is charged to earnings and reduces the carrying amount of the asset. A previously recognized impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally precipitated the impairment. This reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior years.

Gains or losses on disposals of equipment are determined by comparing the proceeds with the carrying amount of the asset and are included in other gains and losses in the statements of loss and comprehensive income (loss).

g) Gains and losses on short-term investments

The Company maintains an investment portfolio of publicly traded securities. These investments are recorded at fair value at year end and differences are recorded in income.

h) Foreign currencies

Both the presentation currency and functional currency of the Company is the Canadian dollar. The functional currency of its wholly owned US subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each financial

3. Significant accounting polices (continued)
h) Foreign currencies (continued)

statement reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the date of the statements of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items that are carried at fair value and were measured in a foreign currency are translated at the rate prevailing at the date when the fair value was determined. Foreign exchange gains and losses on the foregoing transactions are recorded in profit or loss.

i) Critical accounting judgments and estimates

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. Circumstances could arise over the years that would require material revisions to these estimates. Changes in assumptions could have a material effect on the fair value of estimates.

These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Adjustments resulting from revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods 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 expectation of future events that are believed to be reasonable under the circumstances.

Critical estimates include:

a) The carrying values of exploration and evaluation assets that are included in the statement of financial position, including the assumptions that are incorporated into the impairment assessments, and the amount of impairments that are included in the statement of loss and comprehensive loss. (Refer to Note 1 - "Nature of operations and continuance of operations")
b) The estimate of the amount of asset retirement obligation and the inputs used in determining the net present value of the liabilities for asset retirement obligations included in the statement of financial position.
c) The estimated fair value of share purchase options and broker warrants requires determining the most appropriate model as well as the applicable inputs.
d) Judgment is required in determining whether or not deferred tax assets are recognized on the statement of financial position.
e) Estimates are required in determining the amount of government incentives. Judgment is also required to determine the recoverability of the government incentives.

j) Share-based payment transactions

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in the equity-settled share based payment reserve in equity. Employees, for the purpose of this calculation, also include individuals who provide services similar to those performed by a direct employee, including directors and consultants of the Company. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. Consideration received on the exercise of stock options is recorded as share capital and the related equity-settled share based payment amount is transferred to share capital. If options expire without being exercised, the value associated therewith is transferred from equity-settled share based payment reserve to other reserves.

3. Significant accounting polices (continued)

k) Loss per share

Basic loss per common share is computed by dividing the net earnings loss attributable to common shareholders by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. Only "in-the-money" dilutive instruments impact the dilution calculations and potentially dilutive instruments shall only be treated as dilutive when their conversion increases loss per share. Refer to Note 11 for a summary of options and warrants outstanding that could potentially dilute basic earnings per share in the future, but were excluded from the calculation in the periods disclosed because their effect was anti-dilutive**.** Refer to Note 15 for calculations of loss per share.

l) Income taxes

Income tax on net earnings or loss for the periods presented is comprised of current and deferred tax as applicable. Tax on income in interim periods is accrued using the tax rate that would be applicable to expected total annual earnings. Income tax pertaining to earnings or loss is recognized in earnings or loss; income taxes pertaining to items recognized directly in equity is recorded through equity. Current tax is the tax expected to be payable on the taxable income for the year calculated using rates that have been enacted or substantively enacted by the balance sheet date. It includes adjustments for tax expected to be payable or recoverable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill, not deductible for tax purposes, and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. 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 statement of financial position date. Deferred tax assets are only recognized to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilized.

m) Leases

The Company leases office space pursuant to a sublease agreement that does not transfer substantially all the risks and rewards incidental to ownership. The lease obligations are recognized as an expense on a straight-line basis over the term of the lease.

n) Government incentives

Through its exploration, the Company has benefited from government grants. These incentives are not repayable provided that the Company meets the requirements of the agreement, the most significant of which is that the incentives apply to qualifying expenditures. Qualifying expenditures are defined broadly within the agreement as all reasonable expenses for contracted services, machinery rental, transportation of machinery, personnel and supplies or other approved costs in connection with specific exploration programs. The government grants are recognized when there is reasonable assurance that the Company will comply with the conditions of the grant and the grants will be received. The incentives reduce the mineral property costs to which they pertain in the period that the qualifying exploration expenditures are incurred or when collectability is reasonably assured if this is later. These government incentives are subject to review by the relevant granting authorities, and by their nature are subject to measurement uncertainty. Adjustments, if any, resulting from such a review are recorded in the period during which the final grant payment amount is assessed by the governing agency.

(Expressed in Canadian Dollars)

4. Cash

Cash is comprised of:

		Sept 30, 2021		Sept 30, 2020
Current bank accounts	**$**	**881,132**	$	269,361
Cash investment accounts		**-**		77,115
Cash held in foreign currencies		**316,967**		102,502
	$	**1,198,099**	$	448,978

5. Accounts receivable

		Sept 30, 2021		Sept 30, 2020
Trade receivables	**$**	**-**	$	656
Due from related parties		**237**	$	246
Sales tax receivables		**5,011**		6,596
	$	**5,248**	$	7,498

6. Short-term investments

		Sept 30, 2021		Sept 30, 2020
Spruce Ridge Resources Ltd. **Common shares** (Sept 30, 2021 – 5,633,500, Sept 30, 2020 – 5,633,500)	**$**	**619,686**	$	450,680
Commander Resources Ltd. **Common shares** (Sept 30, 2021 – nil, Sept 30, 2020 – 20,000)		**-**		2,200
Maple Gold Mines Ltd. **Common shares (**Sept 30, 2021 - nil, Sept 30, 2020 - 31,500)		**-**		4,568
Canada Nickel Co. Inc. **Common shares (**Sept. 30, 2021– nil, Sept 30, 2020 – 54,867)		**-**		93,823
	$	**619,686**	$	551,271

The common shares of Spruce Ridge Resources Ltd. (“Spruce Ridge”), Commander Resources Ltd., Maple Gold Mines Ltd and Canada Nickel Co. Inc. were valued at their fair value, based on their respective period-end trading prices, at September 30, 2021 and September 30, 2020.

During the year ended September 30, 2021, the Company disposed of 20,000 Commander Resources Ltd. shares, 31,500 Maple Gold Mines Ltd. Shares and 54,867 Canada Nickel Co. Inc. shares for net cash proceeds of $2,540, $10,560 and $108,526 respectively.

During the year ended September 30, 2020, the Company disposed of 200,000 Spruce Ridge shares for cash proceeds of $15,433 net of commissions and 50,000 Canada Nickel Co. Inc. for cash proceeds of $77,117 net of commissions.

On June 23, 2020 Spruce Ridge declared a dividend-in-kind of common shares of Canada Nickel Company Inc. (“Canada Nickel” or “CNC”). The dividend was paid on September 4, 2020 to shareholders of Spruce Ridge at the close of business on July 6, 2020, the record date. One CNC share was paid under the dividend declared for every 53.72 Spruce Ridge shares held. At July 6, 2020, the Company held 5,633,500 Spruce Ridge shares. As a result, the Company received a dividend of 104,867 CNC shares at $0.94 per share valued on July 6, 2020 for total value of $98,575.

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets

Mineral properties are recognized in these financial statements in accordance with the accounting policies outlined in *Note 3 (e) "Exploration and evaluation assets"*. Accordingly, their carrying values represent costs incurred to date, net of recoveries, abandonments and impairments. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain necessary financing to complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests in its mineral exploration properties.

Gold Range Property, Arizona, USA

On June 11, 2019, the Company's wholly-owned subsidiary, Canexco Inc., entered into an arm's length Option Agreement to acquire a 100% interest in the Gold Range Property, Arizona, USA from a Prospector, the "Optionor". The Gold Range Property, under option, is comprised of three staked lode mineral claims with a total area of 61.98 acres and is located in Mohave County, Arizona, USA.

Under the terms of the agreement, the Company is committed to make options payments and minimum exploration expenditures totaling US$90,000 and US$80,000 over four years, respectively. On June 11, 2019, the Company paid US$10,000 ($13,405), on June 6, 2020, the Company paid US$15,000 ($20,306) and on June 1, 2021, the Company paid US$15,000 ($18,423) in accordance with the agreement. In addition, the Optionor will retain a 2% NSR, half of which can be bought back by the Company for US$500,000; the remaining half can be bought back for US$1,000,000.

As at September 30, 2021, under the terms of the Agreement, the Company is committed to the following cash payments and minimum exploration expenditures:

	Option Payments	Minimum Exploration Expenditures
Due date	**US$**	**US$**
June 11, 2022	20,000	20,000
June 11, 2023	30,000	30,000
Total committed cash payments and minimum exploration expenditures	50,000	50,000
Exploration expenditures to September 30, 2021	-	(1,190,800)
Total remaining commitment as of September 30, 2021	50,000	-

The remaining committed option payments of US$50,000 would equate to $63,705 using the September 30, 2021 Bank of Canada exchange rate. An increase or decrease of 10% to the exchange rate would result in an increase or decrease in required option payments of $6,371.

On February 24, 2020, the Company's wholly-owned subsidiary, Canexco Inc., entered into an arm's length Option Agreement to acquire a 100% interest in the Never Get Left Claim, Mohave County, Arizona, USA from Onyx Exploration Inc., the "Optionor" which is adjacent to the Company's Pit Zone target on the Gold Range Property. The Never Get Left Claim, under option, is comprised of one staked lode mineral claim with a total area of 20.99 acres and is located in Mohave County, Arizona, USA.

Under the terms of the agreement, the Company is committed to make options payments totaling US$90,000 over four years. On February 24, 2020, the Company paid US$10,000 ($13,397) and on February 18, 2021, the Company paid US$15,000 ($19,063) in accordance with the agreement. In addition, the Optionor will retain a 2% NSR, half of which can be bought back by the Company for US$500,000; the remaining half can

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)
Gold Range Property, Arizona, USA (continued)

be bought back for US$500,000. Additionally, the Company must pay 10% of any profits realized from the processing and recovery of metals from the existing leach pad materials located within the Optionor's claim.

As at September 30, 2021, under the terms of the Agreement, the Company is committed to the following cash payments:

Due date	Option Payments US$
February 24, 2022	15,000
February 24, 2023	20,000
February 24, 2024	30,000
Total committed cash payments	65,000

The remaining committed option payments of US$65,000 would equate to $82,817 using the September 30, 2021 Bank of Canada exchange rate. An increase or decrease of 10% to the exchange rate would result in an increase or decrease in required option payments of $8,282.

On January 12, 2021, the Company and its wholly owned subsidiary, Canexco Inc., signed a Letter of Intent ("LOI") allowing the Company to earn into the Excelsior Mine Property ("the Property") from a private vendor over 3 stages. The definitive agreement was signed on June 2, 2021 and received TSXV approval on June 17, 2021. During stage 1, CANEX can earn a 25% interest in the Property by issuing 750,000 common shares of CANEX and spending US$500,000 on exploration. During stage 2, CANEX can earn 51% interest in the Property by issuing 1 million shares of CANEX, spending US$2,000,000 and paying a bonus payment equivalent to 1% of the gold price on recoverable gold equivalent ounces defined in the measured and indicated resource categories. Stages 1 and 2 must be completed over 2.5 years. On June 25, 2021, the Company issued 750,000 common shares valued at $84,375, in accordance with the agreement.

During stage 3 CANEX can earn a 90% interest in the Property by issuing 1,000,000 CANEX shares and spending US$2,000,000 on exploration and development including an economic study. To complete the stage 3 earn in CANEX must make another bonus payment to the Vendors equivalent to 1.5% of the gold price on recoverable gold equivalent ounces defined in the proven and probable reserve categories.

CANEX has 2 years to complete the stage 3 earn in once Stage 2 is complete. Once CANEX has earned a 90% interest in the Property, the Vendors can elect to maintain their 10% ownership by contributing their 10% share to exploration and development or to give up 100% ownership to CANEX and revert to a 1.5% NSR.

As at September 30, 2021, under the terms of the Agreement, the Company is committed to the following share issuances and minimum exploration expenditures:

	Option payments (Common Shares)	Minimum exploration expenditures (US$)	Earn in on completion of obligation (%)
Stage 1	750,000	500,000	25
Stage 2	1,000,000	2,000,000	26
Stage 3	1,000,000	2,000,000	39
Total	2,750,000	4,500,000	90
Less obligations fulfilled to September 30, 2021	(750,000)	(374,000)	-
Total remaining commitments to September 30, 2021	2,000,000	4,126,000	

7. Exploration and evaluation assets (continued)
Gold Range Property, Arizona, USA (continued)

The remaining committed minimum exploration expenditures of US$4,126,000 equate to $5,256,937 using the September 30, 2021 Bank of Canada exchange rate. An increase or decrease of 10% to the exchange rate would result in an increase or decrease in required option payments of $525,694.

As at September 30, 2021, the Company holds 202 lode mining claims and 2 patented claims (1,504 hectares) in respect of the Gold Range Property, including acquisitions via the option agreements noted above as well as staking. The area has seen historic lode and placer gold production, but limited modern lode gold exploration. The gross costs and impairments recorded to the Gold Range Property at September 30, 2021 are $1,947,701 and $nil respectively (September 30, 2020 - $963,577 and $nil).

Gibson Prospect, British Columbia

On April 4, 2017, the Company announced it had signed a Letter of Intent to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"), a wholly held subsidiary of Altius Minerals Corp. (TSX:ALS), which is an arm's length party. Gibson is 887 Ha in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The option purchase agreement (the "Agreement") was executed on May 12, 2017; and received Exchange approval on May 17, 2017. The Company also assumed the obligations of an underlying option agreement with Steven Scott, an arm's length party (the "Underlying Agreement").

Under the terms of the Agreement, the Company is committed to issue a maximum of 3,545,000 common shares to Altius in three stages plus incur minimum exploration expenditures up to $500,000 within 18 months, and make $90,000 in cash or share equivalent payments to Steven Scott. Upon approval of the Agreement, the Company issued 1,125,000 common shares to Altius valued at $78,750 and paid $5,000 to Steven Scott. On February 14, 2018, the Company paid $15,000 to Steven Scott pursuant to the Underlying Agreement. On October 5, 2018, the Company issued 1,180,000 common shares to Altius valued at $82,600 pursuant to the Agreement. On February 21, 2019, the Company issued 400,000 common shares to Steven Scott valued at $20,000, on February 27, 2020, the Company issued 121,951 shares to Steven Scott valued at $25,000 and on February 26, 2021, the Company issued 185,185 common shares to Steven Scott valued at $25,000 pursuant to the Underlying Agreement. Under the terms of the underlying agreement with Steven Scott, effective February 26, 2021, the Company has fulfilled its obligations with respect to cash or cash equivalent payments and minimum exploration expenditures. On November 12, 2018, the Company was granted an extension to meet its minimum exploration expenditures of $500,000 by November 12, 2018 to July 15, 2019, as lack of access during 2018, in part, prevented the Company from completing the required expenditures within the allotted time. The Company was subsequently granted further extensions to meet its minimum exploration expenditures of $500,000. The agreement has been amended to allow the Company to meet minimum exploration expenditures by August 30, 2022. All other terms of the agreement remain unchanged. As at September 30, 2021, the Company has determined that further exploration of the Gibson Prospect will not be a priority unless a third party partner can be found to further the exploration program. However, the Company, will continue to hold the property claims which will expire between February 2022 and January 2029. Accordingly, the Company has impaired the full amount of exploration expenditures to September 30, 2021. The gross costs and impairments recorded to the Gibson Prospect as at September 30, 2021 are $473,527 and $473,527, respectively (September 30, 2020 - $448,027 and $nil).

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)
Gibson Prospect, British Columbia (continued)

As at September 30, 2021, under the terms of the Agreement, the Company is committed to the following remaining share issuances, cash payments and minimum exploration expenditures:

Remaining commitments under the terms of the Agreement are as follows:	**Altius** Share issues	Minimum exploration expenditures (1)
		($)
Expenditure Commitment on or before August 30, 2022	-	500,000
Following the completion of the Expenditure Commitment	1,240,000	-
Total	1,240,000	500,000

(1) As at September 30, 2021, the Company has incurred exploration expenditures of $293,500

Prior to 2019, Shane Ebert through his company, Vector Resources Inc. (see Note 17 - "Related parties and transactions and key management remuneration"), provided consulting services to Altius regarding British Columbia project generation activities. Vector Resources Inc. is entitled to 5% of the compensation, 177,250 shares, due to Altius under the Gibson agreement.

In addition, Altius will retain a right to purchase an underlying 1.5% Net Smelter Royalty ("NSR") and preferential rights on any future royalties or streams granted on the Property. If the Company achieves a measured and indicated mineral resource in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Pursuant to the underlying option agreement, Steven Scott is also entitled to the additional milestone bonuses 1) $25,000 in cash or securities upon a Bankable Feasibility Study; and 2) $50,000 in cash or securities upon Commercial Production.

Echo, Fulton, Red and Beal properties, British Columbia

On June 21, 2018, the Company signed a Definitive Agreement granting the Company an option to acquire a 100% interest in five mineral exploration properties in British Columbia from Altius, named Ace, Echo, Fulton, Red and Beal. The Ace property was subsequently dropped from the definitive agreement as exploration was conditional upon satisfactory resolution of a property access issue by August 15, 2018, which was not resolved. To earn a 100% interest in the remaining properties, the Company was required to spend a minimum of $30,000 on exploration on or before September 21, 2019 and issue to Altius 500,000 common shares for each project. In addition, Altius would retain a 1.75% Gross Smelter Royalty ("GSR") on all properties within a 5 km area of interest. For each property that achieved a measured and indicated mineral resource in excess of 0.5 million gold equivalent ounces, a Milestone Payment of 1.5 million shares would be issued to Altius.

The results from field programs conducted during fiscal 2019 did not support further exploration on the Fulton, Red and Beal properties. As a result, the Company returned the respective properties to the vendor and impaired the full amount of expenditures on each respective property as of September 30, 2019. However, the Company was granted an extension on the expenditure deadline to December 31, 2019 to allow the Company time to conduct further work and evaluations on the Echo property. During the three-month period ended December 31, 2019, the Company conducted a ground magnetic survey at Echo. After thorough analysis of the results of this program, the Company, unable to identify clear targets for advancement, terminated the option, returning the Echo property to the vendor, fully impairing the remaining expenditures as of September 30, 2020. The gross costs and impairments recorded to the Echo, Fulton, Red and Beal properties combined as at September 30, 2021 are $23,001 and $23,001 (September 30, 2020 - $23,001 and $23,001).

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)

A summary of exploration and evaluation expenditures by category for the years ended September 30, 2021, and September 30, 2020 appear below:

		British Columbia	Arizona, USA
Year ended September 30, 2021	**Total**	**Gibson Property**	**Gold Range Property**
	$	**$**	**$**
Exploration expenditures:			
Balance, September 30, 2020	**1,026,751**	220,531	806,220
Geological consulting	**152,538**	-	152,538
Field costs	**31,246**	-	31,246
Travel	**20,887**	-	20,887
Equipment rental	**3,674**	-	3,674
Geochemical	**178,710**	-	178,710
Excavating	**8,367**	-	8,367
Geophysical survey	**192**	-	192
Drilling	**371,319**	-	371,319
Decommissioning	**14,006**	-	14,006
Impairment	**(220,531)**	(220,531)	-
Balance, September 30, 2021	**1,587,159**	**-**	**1,587,159**
Property acquisition costs			
Balance, September 30, 2020	**384,853**	227,496	157,357
Acquisition costs incurred	**228,685**	25,500	203,185
Impairment	**(252,996)**	(252,996)	-
Balance, September 30, 2021	**360,542**	**-**	**360,542**
Total exploration and evaluation assets, September 30, 2021	**1,947,701**	**-**	**1,947,701**

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)

Year ended September 30, 2020		British Columbia		Arizona, USA
	Total	Gibson Property	Echo Property	Gold Range Property
	$	$	$	$
Exploration expenditures:				
Balance, September 30, 2019	**283,389**	220,531	4,156	58,702
Geological consulting	**174,334**	-	2,100	172,234
Field costs	**13,102**	-	151	12,951
Travel	**43,009**	-	-	43,009
Geochemical	**143,276**	-	1,952	141,324
Excavating	**58,374**	-	-	58,374
Geophysical survey	**61,580**	-	10,515	51,065
Archeology	**13,199**	-	-	13,199
Drilling	**235,404**	-	-	235,404
Equipment rental	**13,774**	-	116	13,658
Decommissioning	**6,300**	-	-	6,300
Impairment	**(18,990)**	-	(18,990)	-
Balance, September 30, 2020	**1,026,751**	**220,531**	**-**	**806,220**
Property acquisition costs				
Balance, September 30, 2019	**226,879**	201,996	3,307	21,576
Acquisition costs incurred	**161,281**	25,500	-	135,781
Impairment	**(3,307)**	-	(3,307)	-
Balance, September 30, 2020	**384,853**	**227,496**	**-**	**157,357**
Total exploration and evaluation assets, September 30, 2020	**1,411,604**	**448,027**	**-**	**963,577**

From time to time the Company is required to advance amounts to service providers prior to their commencing exploration work on the mineral interest. The advance is applied to the invoiced services, generally through the final invoice. As these advances pertain to costs that form part of the long-term exploration and evaluation assets, they are classified as long-term. At September 30, 2021, the Company held $10,000 in respect of the Gibson Prospect and $27,874 in respect of the Gold Range Project in exploration and evaluation asset advances and deposits (September 30, 2020 - $10,000 and 27,874 respectively).

8. Equipment

		Computer equipment and software
Cost		
Balance at September 30, 2021 and 2020	**$**	**9,685**
Accumulated depreciation		
Balance, September 30, 2020		9,637
Depreciation		18
Balance September 30, 2021	**$**	**9,655**
Net book value		
September 30, 2020	$	48
September 30, 2021	**$**	**30**

(Expressed in Canadian Dollars)

9. Accounts payable and accrued liabilities

		Sept 30, 2021		Sept 30, 2020
Trade payables	$	**140,738**	$	39,453
Due to related parties		**18,146**		33,124
Accrued liabilities		**27,500**		25,500
Commodity taxes payable		**11**		12
	$	**186,395**	$	98,089

10. Decommissioning obligation

Changes in the decommissioning obligation:

		Sept 30, 2021		Sept 30, 2020
Balance, beginning of year	**$**	**33,300**	**$**	27,000
Gold Range Property additions		**14,006**		6,300
Balance, end of year	**$**	**47,306**	**$**	33,300

The provision noted above represents estimated costs to restore the Company's mineral property which includes the cost of filling trenches and revegetation as applicable. Management believes that there are no other significant legal and constructive obligations as at the respective year end dates for current and future decommissioning obligations. The year end present value of the decommissioning obligation was determined using a risk-free rate of 0.53% (September 30, 2020 – 0.25%). The estimated total undiscounted amount, using an inflation rate of 2.77% (September 30, 2020 – 0.73%) for the year ended September 30, 2021 is $49,964 (2020 - $34,116). The timing of future decommissioning costs is uncertain, as the costs will not be incurred until the Company gives up its legal right to explore the property or the current land use permits expire, at which time the reclamation has to have been completed. No accretion expense has been recorded in the current year because the amount is considered to be immaterial.

11. Share capital, stock options and warrants

a) Authorized
Unlimited number of common shares without par value.

b) Issued and outstanding common share capital

	Shares	Value $
Balance, as at September 30, 2020	**53,207,049**	**15,747,739**
Warrants exercised – October 15, 2020	2,300,000	230,000
Share issuance costs	-	(830)
Share issuance – January 7, 2021	16,292,500	1,629,250
Share issuance – January 11, 2021	707,500	70,750
Share issuance – property acquisition	185,185	25,000
Share issuance costs	-	(27,292)
Warrant expiry – March 23, 2021	-	33,120
Share issuance – property acquisition	750,000	84,375
Share issuance costs	-	(2,278)
Balance, as at September 30, 2021	**73,442,234**	**17,789,834**

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)
b) Issued and outstanding common share capital (continued)

	Shares	Value $
Balance, as at September 30, 2019	**30,866,415**	**14,243,517**
Private Placement – October 29, 2019	12,120,000	606,000
Share issuance costs	-	(6,441)
Options exercised – November 13, 2019	100,000	11,490
Warrants exercised – January 22, 2020	100,000	8,000
Warrants exercised – February 5, 2020	369,334	31,584
Warrants exercised – February 7, 2020	1,450,000	116,000
Warrants exercised – February 12, 2020	1,150,000	92,000
Share issuance – property acquisition	121,951	25,000
Share issuance costs	-	(1,504)
Warrants exercised – March 3, 2020	103,999	11,372
Share issuance costs	-	(1,953)
Private Placement – April 7, 2020	6,667,100	600,039
Share issuance costs	-	(5,164)
Warrants exercised – July 9, 2020	8,250	904
Options exercised – August 27,2020	150,000	17,235
Share issuance costs	-	(340)
Balance, as at September 30, 2020	**53,207,049**	**15,747,739**

2021

On October 15, 2020, 2,300,000 warrants exercisable at $0.10 per share, expiring October 20, 2020, were exercised for total proceeds of $230,000 including 100,000 exercised by related parties, comprised of officers and directors.

On January 7, 2021, the Company closed the first tranche of its non-brokered private placement, issuing 16,292,500 common shares at $0.10 per share for aggregate gross proceeds of $1,629,250. On January 11, 2021, the Company closed the final tranche of its non-brokered private placement, issuing 707,500 common shares at $0.10 per share for aggregate gross proceeds of $70,750. A total of $16,500 was paid in finder's fees in connection with this financing.

On February 26, 2021, the Company issued 185,185 common shares valued at $25,000 pursuant to an option agreement on the Gibson property. The share issuance was valued using the closing share price on the transaction date. See Note 7 – "Exploration and evaluation assets" for more information.

On March 23, 2021, 460,000 warrants, exercisable at $0.25 per share, expired without exercise.

On June 25, 2021, the Company issued 750,000 common shares valued at $84,375 pursuant to option agreement on the Gold Range property. The share issuance was valued using the closing share price on the transaction date. See Note 7 – "Exploration and evaluation assets" for more information.

2020

On October 29, 2019, the Company closed its non-brokered private placement, issuing 12,120,000 common shares for aggregate gross proceeds of $606,000. Related parties, comprised of officers and directors, acquired 300,000 of the total shares issued.

On November 13, 2019, 100,000 options exercisable at $0.06 per share, expiring June 26, 2022, were exercised for total proceeds of $6,000.

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)
b) Issued and outstanding common share capital (continued)

On January 22, 2020, 100,000 warrants exercisable at $0.08 per share were exercised for total proceeds of $8,000.

During February, 2020, 2,900,000 warrants exercisable at $0.08 per share, expiring June 6, 2022 were exercised for total proceeds of $232,000 and 69,334 warrants exercisable at $0.05 per share, expiring June 6, 2022 were exercised for total proceeds of $3,467.

On February 27, 2020, the Company issued 121,951 common shares valued at $25,000 pursuant to an option agreement on the Gibson property. The share issuance was valued using the closing share price on the transaction date. See Note 7 – "Exploration and evaluation assets" for more information.

On March 3, 2020, 103,999 warrants exercisable at $0.05 per share, expiring June 6, 2022, were exercised for total proceeds of $5,200.

On April 7, 2020, the Company closed it non-brokered private placement, issuing 6,667,100 common shares for aggregate gross proceeds of $600,039. Related parties acquired 111,000 of the total shares issued.

On July 9, 2020, 8,250 warrants exercisable at $0.05 per share, expiring June 6, 2022 were exercised for total proceeds of $412.

On August 27, 2020, 150,000 options exercisable at $0.06 per share, expiring June 26, 2020, were exercised for total proceeds of $9,000.

On October 15, 2020, 2,300,000 warrants exercisable at $0.10 per share, expiring October 20, 2020, were exercised for total proceeds of $230,000 including 100,000 warrants exercised by related parties.

Subsequent to September 30, 2021 and up to December 22, 2021, the date of these financial statements, there were no shares issued, and none cancelled and returned to treasury.

c) Stock options outstanding

	Number of options		**Exercise**
Expiry	**Sept 30, 2021**	Sept 30, 2020	**Price**
June 26, 2022	**925,000**	925,000	$0.06
July 27, 2024	**1,575,000**	-	$0.15
September 23, 2024	**1,200,000**	1,200,000	$0.06
October 4, 2024	**710,000**	710,000	$0.055
	4,410,000	2,835,000	

The Company has an option plan ("the Plan"), under which up to 10% of the issued and outstanding common shares are reserved for issuance. Under the Plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date on which the optionee ceases to be a director, officer, employee or consultant. The exercise price of the options granted under the Plan will not be less than that from time to time permitted under the rules of the stock exchange or exchanges on which the shares are then listed, which price reflects trading values at that time. All of the options outstanding at the respective period ends have vested.

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)

d) Stock option transactions

	Number of options	Weighted average exercise price
Balance, September 30, 2020	2,835,000	$0.059
Issued	1,575,000	$0.15
Balance, September 30, 2021	4,410,000	$0.091

	Number of options	Weighted average exercise price
Balance, September 30, 2019	2,375,000	$0.06
Issued	710,000	$0.055
Exercised	(250,000)	$0.059
Balance, September 30, 2020	2,835,000	$0.059

Refer to Note 14 – "Share-based payment transactions" for more information regarding the options issued during the year. In addition, 250,000 options, expiring June 22, 2022 were exercised for total proceeds of $15,000 during the year ended September 30, 2020.

Subsequent to September 30, 2021 and up to December 22, 2021, the date of these financial statements, there were no stock options issued or exercised and none expired.

e) Warrant transactions and warrants outstanding

The warrants summarized below may be exercised to acquire an equal number of common shares.

Year ended September 30, 2021

Exercise Price	Expiry	Balance Sept 30, 2020	Warrants Exercised	Warrants Expired	Balance Sept 30, 2021
$0.10	October 16, 2020	2,300,000	(2,300,000)	-	**-**
$0.25	March 23, 2021	460,000	-	(460,000)	**-**
$0.08	June 6, 2022	1,399,990	-	-	**1,399,990**
$0.05	June 6, 2022	13,416	-	-	**13,416**
		4,173,406	(2,300,000)	(460,000)	**1,413,406**

Year ended September 30, 2020

Exercise Price	Expiry	Balance Sept 30, 2019	Warrants Issued	Warrants Exercised	Balance Sept 30, 2020
$0.10	October 16, 2020	2,300,000	-	-	**2,300,000**
$0.25	March 23, 2021	460,000	-	-	**460,000**
$0.08	June 6, 2022	4,399,990	-	(3,000,000)	**1,399,990**
$0.05	June 6, 2022	194,999	-	(181,583)	**13,416**
		7,354,989	-	(3,181,583)	**4,173,406**

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)
e) Warrant transactions and warrants outstanding (continued)

2021

On October 15, 2020, 2,300,000 warrants exercisable at $0.10 per share, expiring October 20, 2020, were exercised for total proceeds of $230,000 including 100,000 exercised by related parties and on March 23, 2021, 460,000 warrants exercisable at $0.25 per share, expired without exercise.

2020

On January 22, 2020, 100,000 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised for total proceeds of $8,000.

During February, 2020, 2,900,000 warrants exercisable at $0.08 per share, expiring June 6, 2022 were exercised for total proceeds of $232,000 and 69,334 warrants exercisable at $0.05 per share, expiring June 6, 2022 were exercised for total proceeds of $3,467.

On March 3, 2020, 103,999 warrants exercisable at $0.05 per share, expiring June 6, 2022, were exercised for total proceeds of $5,200.

On July 9, 2020, 8,250 warrants exercisable at $0.05 per share, expiring June 6, 2020, were exercised for total proceeds of $412.

Subsequent to September 30, 2021 and up to December 22, 2021, the date of these financial statements no warrants were issued and none expired, nor were exercised.

12. Financial instruments

Financial instruments recorded at fair value are classified using a fair value hierarchy that prioritizes the inputs to fair value measurements. The three levels of fair value are summarized below:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities either directly, (i.e. prices), or indirectly, (i.e. derived from prices); and
- Level 3 - Inputs that are not based on observable market data.

Level 1 has been utilized to value common shares included in short-term investments.

The following summarizes the categories of the various financial instruments:

		Sept 30, 2021		Sept 30, 2020
		Carrying Value		
Financial Assets				
Financial assets measured at fair value:				
Short-term investments	**$**	**619,686**	$	551,271
Financial assets measured at amortized cost:				
Cash		**1,198,099**		448,978
Accounts receivable		**237**		902
	$	**1,198,336**	$	449,880
Financial Liabilities				
Financial liabilities measured at amortized cost:				
Accounts payable and accrued liabilities	**$**	**186,384**	$	98,077

12. Financial instruments (continued)

The above noted financial instruments are exclusive of any sales tax. The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments.

The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The Company undertakes transactions denominated in US currency through its exploration in the US; consequently, it is exposed to exchange rate fluctuations. The Company will acquire US funds from time to time to settle US$ denominated liabilities. At September 30, 2021, the Company had US$248,777 ($316,967) (2020 - US$76,844 ($102,502)) in a US denominated bank account. The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of $31,697 (2020 - $10,250). Additionally, at September 30, 2021, accounts payable and accrued liabilities include liabilities of US$106,101 ($135,183) (2020 - US$26,890 ($35,869)), that must be settled in US$. The effect of a foreign currency increase or decrease of 10% on this liability would result in an increase or decrease of $13,518 (2020 - $3,587) to the amount payable.

13. General and administrative

		Sept 30, 2021		Sept 30, 2020
Administrative consulting fees	**$**	**234,026**	$	264,691
Share-based compensation (Note 14)		**74,749**		37,416
Occupancy costs		**18,789**		18,347
Office, secretarial, supplies and other		**56,628**		50,087
Insurance		**8,845**		7,427
Directors' fees		**3,600**		2,700
Computer network and website maintenance		**2,312**		2,458
Travel and promotion		**50,582**		25,496
	$	**449,531**	$	408,622

14. Share-based payment transactions

During the year ended September 30, 2021, the Company issued 1,575,000 options that may be exercised at $0.15 per share to July 27, 2024. The options were valued at $74,749 using the Black-Scholes Options Pricing model assuming a 3-year term, volatility of 83.86%, a risk free discount rate of 0.55% and a dividend rate of 0%.

During the year ended September 30, 2020, the Company issued 710,000 options that may be exercised at $0.055 per share to October 4, 2024. The options were valued at $37,416 using the Black-Scholes Options Pricing Model assuming a 5-year term, volatility of 182.33%, a risk free discount rate of 1.25% and a dividend rate of 0%.

(Expressed in Canadian Dollars)

15. Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted loss per share if their inclusion would be anti-dilutive.

The following adjustments were made in arriving at diluted weighted average number of common shares for the years ended September 30:

Weighted average number of common shares:		**2021**		2020
Basic and Diluted		**68,164,460**		47,497,321
Loss per share				
Basic and diluted	**$**	**(0.01)**	$	0.00

16. Income tax information

Rate reconciliation:

The combined provision for taxes in the consolidated statement of loss and other comprehensive loss reflects an effective tax rate which differs from the expected statutory rate as follows:

		2021		2020
Income (loss) before income taxes	**$**	**(805,515)**	$	(198,040)
Computed expected expense (recovery) based on a combined rate of 23.00% (2020 – 24.75%)		**(185,268)**		(49,015)
Change resulting from:				
Differential tax rate of foreign jurisdiction		**(676)**		(49)
Non-deductible (taxable) items and other		**(28,908)**		(38,454)
Change in tax rate		**-**		5,466
Unrecognized deferred tax asset		**214,852**		107,779
Change in prior year estimates		**-**		(25,727)
Income tax expense	**$**	**-**	$	-

The combined statutory rate is 23.00% for 2021 (2020 – 24.75%). The deferred combined statutory rate is expected to be 23.00% for 2021 and subsequent years (2020 – 23.00%).

(Expressed in Canadian Dollars)

16. Income tax information (continued)

Temporary differences and tax loss not recognized for accounting purposes:

		2021		2020
Non-capital loss carry-forwards	$	3,617,692	$	3,216,870
Capital loss carry-forwards		782,935		782,935
Share issuance costs		41,042		25,564
US net operating loss		1,258,295		627,337
Property and equipment		18,300		18,281
Mineral properties		4,175,419		4,321,684
Short-term investments		(55,162)		14,003
Interest		4,696		3,175
Total	$	9,843,217	$	9,009,849

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at September 30, 2021, the Company had unused non-capital loss carry forwards of approximately $3.62 million that expire between the years 2026 and 2041. Capital loss carry-forwards may be carried forward indefinitely. The Company has unused US net operating loss carry forwards of approximately $988,000USD ($1,258,000) (2020 - $470,000USD ($627,000)) that may be carried forward indefinitely.

During the year ended September 30, 2021, the Company applied for a British Columbia mining exploration tax credit in the amount of $Nil (2020 – $4,450) for qualified expenditures made in 2021 totalling $Nil (2020 - $14,835) relating to its British Columbia properties (see Note 7 - Exploration and evaluation assets).

17. Related party balances and transactions and key management remuneration

The Company is considered a related party to Jade Leader Corp. ("Jade Leader") because of its common directors, officers and key management personnel that have some direct financial interest in both the Company and Jade Leader. In addition, related parties include members of the board of directors, officers and their close family members. Vector Resources Inc., a company controlled by Shane Ebert, President and director of CANEX Metals; and 635280 Alberta Ltd., a company controlled by Jean Pierre Jutras, an officer and director of CANEX Metals are also considered related parties. The Company incurred the following amounts charged to (by) related parties:

			Sept 30, 2021		Sept 30, 2020
Key management remuneration					
President and director	a	$	(73,500)	$	(150,300)
Corporate secretary	b		(41,160)		(34,826)
Chief Financial Officer	c		(1,150)		(1,900)
Directors' fees	d		(3,600)		(2,700)
Total Management remuneration		$	(119,410)	$	(189,726)

			Sept 30, 2021		Sept 30, 2020
Other related party transactions					
Jade Leader					
Office rent and operating costs paid	e	$	(18,789)	$	(18,348)
General and administrative and secretarial costs paid	e	$	(5,971)	$	(8,582)
General and administrative and secretarial costs received	e	$	1,056	$	2,613
635280 Alberta Ltd.					
Geological consulting services	f	$	(1,563)	$	(1,200)

(Expressed in Canadian Dollars)

17. Related party balances and transactions and key management remuneration

The following amounts were due to or receivable from related parties at the respective year ends:

Balances Receivable (Payable)			Sept 30, 2021		Sept 30, 2020
Consulting fees:					
President and director	a	**$**	**(10,106)**	$	(27,313)
Chief Financial Officer	c	**$**	**(1,208)**	$	-
Exploration and evaluation assets					
President and director		**$**	**(588)**	$	-
Office rent and operating costs					
Jade Leader	d	**$**	**(4,932)**	$	(4,469)
General and administrative and secretarial costs:					
Jade Leader	d	**$**	**(1,312)**	$	(1,342)
Jade Leader	d	**$**	**237**	$	246

Management compensation payable to "key management personnel" during the years ended September 30, 2021 and 2020 is reflected in the table above and consists of consulting fees paid to the President, the CFO, fees for the Corporate Secretary and directors' fees. Officers and directors are also compensated through the granting of options from time-to-time. During the year ended September 30, 2021, the Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments of $74,749, that is recorded in general administrative expenses (Note 14 - "Share based payment transactions"). During the year ended September 30, 2020, the Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments of $37,417, that is recorded in general administrative expenses (Note 14 - "Share based payment transactions"). There were no other benefits granted to officers, directors and consultants during the years ended September 30, 2021 and 2020. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company.

a) The President and director of the Company billed for consulting services that were either expensed or, when his services related directly to mineral property exploration, capitalized to exploration and evaluation assets (Note 7). During the year ended September 30, 2021, $35,100 (2020 - $49,800) was expensed through administrative expenses, $38,400 (2020 - $100,500) was capitalized to exploration and evaluation assets.

b) The Corporate Secretary provides services to the Company on a contract basis.

c) The Chief Financial Officer provides services to the Company on a contract basis.

d) Commencing January 1, 2021, the Company increased payments to directors who are not officers of the Company to $500 for meeting attendance in person or by telephone. Prior to January 1, 2021, the Company paid directors who were not officers $500 for meeting attendance in person and $300 for meeting attendance by telephone. There are two directors who are not officers and the amounts above reflect directors' feed paid or payable for meetings attended during the above-noted periods.

e) Jade Leader incurred certain administrative expenses on the Company's behalf that were subsequently billed to the Company on a quarterly basis. Further, the Company incurred certain administrative costs on behalf of Jade Leader that were billed on a quarterly basis. Effective April 1, 2015, the Company commenced to lease office space from Jade Leader. Jade Leader and the Company share two common officers and two common directors.

f) During the years ended September 30, 2021 and September 30, 2020, geological consulting services were provided by 635280 Alberta Ltd.

(Expressed in Canadian Dollars)

17. Related party balances and transactions and key management remuneration (continued)

Related party receivables pertain to billings plus applicable sales taxes for which payment has not been received and related party payables reflect billings plus applicable sales taxes that were not yet paid by the Company at the respective period ends. Related party transactions were measured at the amounts agreed to by the transacting parties.

18. Supplemental disclosure statement of cash flows

Reconciliation of cash used in operating activities to operating loss for the years ended:

		Sept 30, 2021		Sept 30, 2020
Loss and comprehensive loss	$	(805,515)	$	(198,040)
Depreciation		18		31
Stock-based compensation		74,749		37,416
Mineral property impairments		473,527		17,847
Dividend income		-		(98,575)
Interest and other items		(2,769)		852
Gain on short-term investments		(190,041)		(191,530)
Changes in assets and liabilities pertaining to operations:				
Accounts receivable		853		(3,952)
Prepaid expenses		(33,606)		(29,889)
Accounts payable and accrued liabilities		802		1,807
Cash paid to suppliers and contractors	$	(481,982)	$	(464,033)

Reconciliation of cash expended on exploration and evaluation assets for the years ended:

		Sept 30, 2021		Sept 30, 2020
Change in exploration and evaluation assets	$	(536,097)	$	(901,336)
Property acquisition – Share issuance		109,375		25,000
Provision for decommissioning		14,006		6,300
Mineral property impairments		(473,527)		(17,847)
Changes in assets and liabilities pertaining to exploration and evaluation				
Mining exploration tax credit receivable		-		58,673
Accounts receivable		1,397		515
Accounts payable and accrued liabilities		87,504		61,248
Cash expended on exploration and evaluation assets	$	(797,342)	$	(767,447)

19. Segment disclosures

During the years ended September 30, 2021 and September 30, 2020, the Company was only engaged in mineral exploration and all exploration activities were undertaken in Canada and/or the United States. Activities undertaken in both countries were similar in nature. As at September 30, 2021, the value of non-current assets associated with United States operations is $1,975,575 (2020 - $991,451) including exploration and evaluation asset advances and deposits of $27,874 (2020 - $27,874) and exploration and evaluation assets of $1,947,701 (2020 - $963,577). All remaining non-current assets are associated with Canadian operations. Consequently, segmented information is not presented in these financial statements. Refer to Note 7 – "Exploration and evaluation assets" for details of the carrying amounts of these assets at the respective period ends.

20. Capital

The Company's objective when managing capital is to continue as a going concern so that it can provide value to shareholders by acquiring and conducting exploration on mineral exploration properties with the ultimate objective of finding commercial quantities of base and/or precious metals. Capital is defined as capital stock, warrants, contributed surplus and deficit. The Company has traditionally financed through equity issues rather than debt and does not anticipate using debt to finance its continuing grass roots exploration. Should the Company evolve to the point where it is developing or operating a mine, debt options will be investigated.

The Company will raise equity as cash flow requirements dictate and will attempt, when able, to time financings with more favorable market conditions. The Company can scale back exploration, and to a certain extent, discretionary administrative costs during tighter equity markets. The Company invests capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments such as Bankers' Acceptances and Term Deposits until such time as it required to pay operating expenses and mineral property costs, including option payments (Note 7). The Company objective is to manage its capital to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital.

21. Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of receivables, excluding sales tax. The Company has had a history of prompt receipt of its receivables and considers credit risk to be low on these instruments as at September 30, 2021 and September 30, 2020.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to obtain adequate financing or to commence profitable operations in the future. On October 15, 2020, 2,300,000, warrants, expiring October 20, 2020, were exercised for total proceeds of $230,000. Refer to Note 12 – "Share capital, stock options and warrants" for further details. The Company also closed a private placement financing on January 11, 2021 for aggregate gross proceeds of $1,700,000. Increases in activity levels, new property acquisitions and any level of exploration on its mineral properties may require additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 - "Nature of operations and continuance of operations".

The Company's significant remaining contractual maturities for financial liabilities as at September 30, 2021 and 2020 are as follows:

- Accounts payable and accrued liabilities are due within one year.

21. Financial risk management (continued)

c) Market risk

The Company's equity investments are subject to market price risk. The investments in common shares are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price value of these investments can vary from period to period. During the year ended September 30, 2021, the market price fluctuation on the investments held resulted in a net gain of $138,330 (2020 - net gain of $164,065) on short-term investments. In 2021, a 10% change in fair value of the Company's marketable investments would result in a charge to income of $61,969 (2020 - $55,127). The Company does not intend to hold these investments for more than one year.

The Company has not yet developed producing mineral interests and as a result it is not exposed to commodity price risk associated with developed properties at this time.

d) Interest rate risk

The Company has no debt facilities and has minimal amounts of interest income, it is not exposed to significant interest rate risk at this time. All market risk is associated with the Company's investments in common shares, which are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings.

e) Foreign exchange risk

The Company undertakes transactions denominated in US currency; consequently, it is exposed to exchange rate fluctuations. The Company has disclosed US$ commitments pertaining to three option agreements in Note 7 – “Exploration and evaluation assets”. Refer to Note 12 – “Financial instruments for the foreign exchange risk associated with the foreign denominated cash balances held, as well as accounts payable that must be settled in US$ at September 30, 2021 and September 30, 2020.

22. Novel coronavirus pandemic

In early January 2020, a human infection originating in China was traced to a novel strain of coronavirus. The virus subsequently spread to other parts of the world including North America and Europe, causing unprecedented disruptions in the global economy as efforts to contain the spread of the virus intensified. On March 11, 2020, the World Health Organization declared this outbreak of coronavirus (“COVID-19”) as a pandemic as it spread throughout North America. The March 2020 exploration program on the Gold Range Property, Arizona, was ended prior to completion to comply with health and travel advisories related to COVID-19. Commencing July 1, 2020, the Company continued its planned exploration programs for the summer of 2020, (refer to Note 7 – “Exploration and evaluation assets”) as previously imposed travel restrictions as a result of COVID-19 were lifted and the Company determined that work could safely resume in the targeted areas. The summer 2020 exploration program was completed by September 30, 2020. The Company was able to continue its fiscal 2021 planned exploration programs through out the year with minimal disruptions due to COVID-19. As the pandemic continues to spread throughout the world, the full extent and duration of the impact of COVID-19 on the Company’s operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic, its impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others.

23. Subsequent events

On October 22, 2021 Spruce Ridge declared a dividend in-kind of common shares of Canada Nickel Company Inc. (“Canada Nickel” or “CNC”) that was payable on or before November 5, 2021.The dividend was paid on October 29, 2021 to shareholders of Spruce Ridge at the close of business on October 29, 2021, the record date. One CNC share was paid under the dividend declared for every 71.14 Spruce Ridge shares held. At October 29, 2021, the Company held 5,633,500 Spruce Ridge shares. As a result, the Company received a dividend of 79,189 CNC shares at $2.92 per share valued on October 29, 2021 for total value of $231,232.

On November 12, 2021, the Company sold 39,189 CNC common shares for cash proceeds of $108,948, net of commissions, on November 16, 2021, the Company sold an additional 20,000 CNC common shares for cash proceeds of $62,534 net of commissions and on November 22, 2021, the Company sold the remaining 20,000 CNC common shares for cash proceeds of $67,100 net of commissions.

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TSX Venture Exchange

Symbol:

CANX