CANEX Metals Inc.

Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)
Three and Nine Months Ended June 30, 2022

(Unaudited)

July 28, 2022

Notice to Reader

The condensed interim consolidated financial statements of CANEX Metal Inc. (“the Company”) for the nine-month period ended June 30, 2022 are the responsibility of the Company’s management. These condensed interim consolidated financial statements have not been audited or reviewed on behalf of the shareholders by the independent external auditors of the Company.

The condensed interim consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

“Shane Ebert”

Shane Ebert
President/Director

“Chantelle Collins”

Chantelle Collins
Chief Financial Officer

CANEX Metals Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

		June 30 2022		September 30 2021
ASSETS				
Current Assets				
Cash (Note 5)	**$**	**1,830,561**	$	1,198,099
Accounts receivable (Note 6)		**61,354**		5,248
Prepaid expenses		**43,432**		70,417
Short-term investments (Note 7)		**281,675**		619,686
		2,217,022		1,893,450
Non-current Assets				
Exploration and evaluation asset advances and deposits (Note 8)		**37,874**		37,874
Exploration and evaluation assets (Note 8)		**3,626,847**		1,947,701
Equipment (Note 9)		**-**		30
		3,664,721		1,985,605
TOTAL ASSETS	**$**	**5,881,743**	$	3,879,055
EQUITY AND LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities (Note 10)	**$**	**138,732**	$	186,395
Non-current Liabilities				
Decommissioning obligation (Note 11)		**47,306**		47,306
TOTAL LIABILITIES		**186,038**		233,701
EQUITY				
Share capital (Note 12)		**20,431,757**		17,789,834
Reserves		**2,255,909**		2,109,028
Deficit		**(16,991,961)**		(16,253,508)
TOTAL EQUITY		**5,695,705**		3,645,354
TOTAL EQUITY AND LIABILITIES	**$**	**5,881,743**	$	3,879,055

Nature and continuation of operations (Note 1)

Approved by the Board

"Shane Ebert"
___________________________ **Director**

"Lesley Hayes"
____________________________ **Director**

See accompanying notes to the financial statements.

CANEX Metals Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	Three months ended June 30		Nine months ended June 30	
	2022	**2021**	**2022**	**2021**
Expenses				
General and administrative (Note 14)	**$ 445,815**	$ 79,421	**$ 592,431**	$ 310,715
Reporting to shareholders	**2,253**	744	**20,492**	18,466
Professional fees	**3,042**	5,262	**12,746**	15,548
Stock exchange and transfer agent fees	**2,897**	2,493	**10,169**	9,843
Depreciation	**-**	4	**30**	13
	454,007	87,924	**635,868**	354,585
Loss before other items	**(454,007)**	(87,924)	**(635,868)**	(354,585)
Other items				
Dividend income	**-**	-	**231,232**	-
Interest and other	**4,893**	(3,180)	**(3,157)**	(6,496)
Gain (loss) from short-term investments	**(281,675)**	(56,335)	**(330,660)**	359,046
	(276,782)	(59,515)	**(102,585)**	352,550
Net loss and comprehensive loss for the period	**$ (730,789)**	$ (147,439)	**$ (738,453)**	$ (2,035)
Basic and diluted loss per share (Note 16)	**$ (0.01)**	$ 0.00	**$ (0.01)**	$ 0.00
Weighted average shares outstanding - basic and diluted (Note 16)	**81,482,211**	72,741,685	**76,119,296**	66,385,870

Nature and continuation of operations (Note 1)

See accompanying notes to the financial statements.

CANEX Metals Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	Three months ended June 30		Nine months ended June 30	
	2022	**2021**	**2022**	**2021**
Increase (decrease) in cash				
Operating activities				
Cash paid to suppliers and contractors (Note 18)	**$ (337,467)**	$ (59,309)	**$ (515,376)**	$ (424,365)
Cash used in operating activities	**(337,467)**	(59,309)	**(515,376)**	(424,365)
Investing activities				
Interest and other income received	**4,893**	(3,180)	**(3,157)**	(6,496)
Cash received on sale of short-term investments	**-**	-	**238,583**	121,626
Cash received for exploration mining tax credit	**-**	-	**-**	4,450
Cash expended on exploration and evaluation asset additions (Note 18)	**(690,097)**	(131,026)	**(1,706,759)**	(605,272)
Cash used by investing activities	**(685,204)**	(134,206)	**(1,471,333)**	(485,692)
Financing activities				
Share capital and warrant issue proceeds	**2,500,021**	-	**2,500,021**	1,700,000
Options exercised	**24,000**	-	**24,000**	-
Warrants exercised	**112,670**	-	**112,670**	230,000
Cash share issue costs	**(17,520)**	(248)	**(17,520)**	(28,370)
Cash provided (used) by financing activities	**2,619,171**	(248)	**2,619,171**	1,901,630
Increase (decrease) in cash	**1,596,500**	(193,763)	**632,462**	991,573
Cash:				
Beginning of period	**234,061**	1,634,314	**1,198,099**	448,978
End of period	**$ 1,830,561**	$ 1,440,551	**$ 1,830,561**	$ 1,440,551

Supplementary information:

Interest and taxes

No cash was expended on interest or taxes during the three- and nine-month periods ended June 30, 2022 and June 30, 2021.

Non-cash transactions

Nine months ended June 30, 2022 and June 30, 2021

During the nine-month period ended June 30, 2022, the Company received a dividend in-kind of 79,188 common shares of Canada Nickel Company Inc. ("Canada Nickel" or "CNC") valued at $2.92 per share for a total value of $231,232. Refer to Note 7 – "Short-term investments" for more information regarding this transaction. The Company also granted 1,525,000 stock options to officers, directors and consultants and recorded a non-cash charge for stock based payments of $169,633 that is included in general and administrative expenses (Note 14). Refer to Note 15 – "Share-based payment transactions for further information.

During the nine-month period ended June 30, 2021, the Company issued 185,185 common shares valued at $25,000 pursuant to an option agreement on the Gibson property and 750,000 common shares valued at $84,375 pursuant to an option agreement on the Gold Range Property. The acquisitions were valued at the closing share price on the respective transaction dates. See Note 8 – "Exploration and evaluation assets" for more information.

See accompanying notes to the financial statements.

CANEX Metals Inc.

Condensed Interim Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

		Equity Reserves Attributable to Shareholders					
	Common share capital	Equity-settled share based payment	Warrants	Other Reserves*	Total Reserves	Deficit	Total
	$	$	$	$	$	$	$
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 period	-	-	-	-	-	(2,035)	(2,035)
Warrants exercised	230,000	-	-	-	-	-	230,000
Share issuance – January 2021	1,700,000	-	-	-	-	-	1,700,000
Share issuance – property acquisition (Note 8)	25,000	-	-	-	-	-	25,000
Warrants expired – March 2021	33,120	-	(33,120)	-	(33,120)	-	-
Share issuance – property acquisition (Note 8)	84,375	-	-	-	-	-	84,375
Share issuance – costs	(28,370)	-	-	-	-	-	(28,370)
Balance, June 30, 2021	**17,791,864**	**147,408**	**794**	**1,886,077**	**2,034,279**	**(15,450,028)**	**4,376,115**
Net and comprehensive loss for the period	-	-	-	-	-	(803,480)	(803,480)
Options issued – July 2021	-	74,749	-	-	74,749	-	74,749
Share issuance costs	(2,030)	-	-	-	-	-	(2,030)
Balance, September 30, 2021	**17,789,834**	**222,157**	**794**	**1,886,077**	**2,109,028**	**(16,253,508)**	**3,645,354**
Net and comprehensive loss for the period	-	-	-	-	-	(738,453)	(738,453)
Options issued – May 2022	-	169,633	-	-	169,633	-	169,633
Warrants exercised – April 2022	40,000	-	-	-	-	-	40,000
Share issuance – May 2022	2,500,021	-	-	-	-	-	2,500,021
Warrants exercised – June 2022	73,464	-	(794)	-	(794)	-	72,670
Options exercised – June 2022	45,958	(21,958)	-	-	(21,958)	-	24,000
Share issuance costs	(17,520)	-	-	-	-	-	(17,520)
Balance, June 30, 2022	**20,431,757**	**369,832**	**-**	**1,886,077**	**2,255,909**	**(16,991,961)**	**5,695,705**

* Other reserves are 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 financial statements

1. Nature and continuance of operations

CANEX Metals Inc. ("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 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 mineral properties contain ore reserves that are economically recoverable.

The Company incurred a net loss of $738,453 during the nine-month period ended June 30, 2022 ($2,035 – June 30, 2021) and a deficit of $16,991,961 at June 30, 2022 (September 30, 2021 - $16,253,508. The Company believes it has sufficient working capital to fund its administrative and other operating expenses for the twelve-month period ending June 30, 2023. Operating expenses beyond June 30, 2023, increases in expenditures over budget for the twelve-month period ended June 30, 2023, exploration programs and new property acquisitions may 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 unaudited condensed interim consolidated financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting", using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretation of the International Reporting Interpretations Committee ("IFRIC").

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for decommissioning obligations described in Note11 and certain financial instruments described in Note 13. In addition, these statements have been prepared using the accrual basis of accounting except for cash flow information.

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 8 - "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. The functional currency of Canexco is the Canadian dollar.

3. Significant accounting polices

The financial framework and accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited annual consolidated financial statements for the year ended September 30, 2021.

CANEX Metals did not adopt any new accounting policies during the three- and nine-month periods ended June 30, 2022.

(Expressed in Canadian Dollars)

4. Significant accounting judgments and estimates

The preparation of these unaudited condensed interim consolidated 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.

There have been no material revisions to the nature of judgments and amount of changes in estimates or amounts reported in the Company's Unaudited Condensed Consolidated Interim Financial Statements for the three and nine month periods ended June 30, 2022.

5. Cash

Cash is comprised of:

		June 30, 2022		Sept 30, 2021
Current bank accounts	**$**	**1,648,270**	$	881,132
Cash held in foreign currencies		**182,291**		316,967
	$	**1,830,561**	$	1,198,099

6. Accounts receivable

		June 30, 2022		Sept 30, 2021
Trade receivables	**$**	**27,748**	$	-
Due from related parties		**16**		237
Sales tax receivables		**33,590**		5,011
	$	**61,354**	$	5,248

7. Short-term investments

		Jun 30, 2022		Sept 30, 2021
Spruce Ridge Resources Ltd. Common shares	**$**	**281,675**	$	619,686

The 5,633,500 common shares of Spruce Ridge Resources Ltd., were valued at their fair value, based on their respective period-end trading prices, at June 30, 2022 and September 30, 2021.

On October 22, 2021, Spruce Ridge declared a dividend in-kind of common shares of Canada Nickel 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 Canada Nickel 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 Canada Nickel shares at $2.92 per share valued on October 29, 2021, for a total value of $231,232. During the nine-month period

(Expressed in Canadian Dollars)

7. Short-term investments (continued)

ended June 30, 2022, the Company sold 100% of its Canada Nickel holdings for net proceeds of $238,582, incurring a realized gain on the sale of $7,350.

During the nine-month period ended June 30, 2021, the Company disposed of 100,000 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.

8. Exploration and evaluation assets

Mineral properties are recognized in these financial statements in accordance with the accounting policies outlined in Note 3 (f) “Exploration and evaluation assets” of the annual financial statements for the year ended September 30, 2021. 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.

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), on June 1, 2021, the Company paid US$15,000 ($18,423) and on June 2, 2022, the Company paid US$20,000 ($25,536) in accordance with the agreement. The Company met its minimum exploration expenditure commitment during the three-month period ended December 31, 2019. 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 June 30, 2022, under the terms of the Agreement, the Company is committed to the following cash payments:

Due date	Option Payments US$
June 11, 2023	30,000

The remaining committed option payments of US$30,000 would equate to $38,658 using the June 30, 2022 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 $3,866.

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), on February 18, 2021, the Company paid US$15,000 ($19,063), and on February 10, 2022, the Company paid US$15,000 ($18,993) in

(Expressed in Canadian Dollars)

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

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$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 June 30, 2022, under the terms of the Agreement, the Company is committed to the following cash payments:

Due date	Option Payments US$
February 24, 2023	20,000
February 24, 2024	30,000
Total committed cash payments	50,000

The remaining committed option payments of US$50,000 would equate to $64,430 using the June 30, 2022 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 $6,443.

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 June 30, 2022, 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 June 30, 2022	(750,000)	(1,065,000)	-
Total remaining commitments to June 30, 2022	2,000,000	3,435,000	

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

The remaining committed minimum exploration expenditures of US$3,435,000 equate to $4,426,341 using the June 30, 2022 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 $442,634.

As at June 30, 2022, the Company holds 241 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 June 30, 2022 are $3,626,847 and $nil respectively (September 30, 2021 - $1,947,701 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 determined that further exploration of the Gibson Prospect would not be a priority unless a third party partner could be found to further the exploration program. However, the Company, will continue to hold property claims which will expire January 2029. Accordingly, the Company impaired the full amount of exploration expenditures to September 30, 2021. The gross costs and impairments recorded to the Gibson Prospect as at June 30, 2022 are $Nil and $Nil respectively (September 30, 2021 - $473,527 and $473,527).

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued)

A summary of exploration and evaluation expenditures by category for the years ended June 30, 2022 and September 30, 2021 appear below:

Three-month period ended June 30, 2022	Arizona, USA Gold Range Property $
Exploration expenditures:	
Balance, September 30, 2021	1,587,159
Geological consulting	190,778
Field costs	21,493
Equipment rental	1,932
Travel	85,070
Geochemical	416,632
Drilling	884,125
Balance, June 30, 2022	**3,187,189**
Property acquisition costs	
Balance, September 30, 2021	360,542
Acquisition costs incurred	79,116
Balance, June 30, 2022	**439,658**
Total exploration and evaluation assets, June 30, 2022	**3,626,847**

Year ended September 30, 2021	Total $	British Columbia Gibson Property $	Arizona, USA 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)

8. Exploration and evaluation assets (continued)

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. On June 30 2022, 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, 2021 - $10,000 and $27,874 respectively).

9. Equipment

Computer equipment and software		June 30, 2022		Sept 30, 2021
Cost				
Balance, beginning of period and end of period	**$**	**9,685**	$	9,685
Accumulated depreciation				
Balance, beginning of period		**9,655**		9,637
Depreciation		**30**		18
Balance, end of period		**9,685**		9,655
Net book value	**$**	**-**	$	30

10. Accounts payable and accrued liabilities

		June 30, 2022		Sept 30, 2021
Trade payables	**$**	**132,598**	$	140,738
Due to related parties		**6,125**		18,146
Accrued liabilities		**-**		27,500
Commodity tax payable		**9**		11
	$	**138,732**	$	186,395

11. Decommissioning obligation

Changes in the decommissioning obligation:

		June 30, 2022		Sept 30, 2021
Balance, beginning of period and end of period	**$**	**47,306**	$	33,300
Additions		**-**		14,006
	$	**47,306**	**$**	47,306

The above noted provision 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 obligations as at the respective period end dates for current and future decommissioning obligations. The period end present value of the decommissioning obligation was determined using a risk-free rate of 3.10% (September 30, 2021 – 0.45%). The estimated total undiscounted amount, using an inflation rate of 6.40% (September 30, 2021 – 2.26%) for the nine-month period ended June 30, 2022 is $52,533 (year ended September 30, 2021 - $49,964). 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 must have been completed. No accretion expense has been recorded in the current period because the amount is immaterial.

(Expressed in Canadian Dollars)

12. 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, 2021	**73,442,234**	**17,789,834**
Warrants exercised – April 2022	500,000	40,000
Share issuance – May 27, 2022	19,230,927	2,500,021
Warrants exercised – June 2022	913,406	73,464
Options exercised – June 2022	400,000	45,958
Share issuance costs	-	(17,520)
Balance, as at June 30, 2022	**94,486,567**	**20,431,757**

	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**

Nine-month period ended June 30, 2022

On April 29, 2022, 500,000 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised for total proceeds of $40,000.

On May 27, 2022, the Company closed a non-brokered private placement financing of 19,230,927 units ("Common Units") at a price of $0.13 per Common Unit for gross proceeds of 2,500,021. Each Common Unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one common share at a price of $0.18 per share for a period to two years, May 27, 2024. After a 6-month non-callable period, the warrants will be subject to acceleration at the Company's discretion if at any time the Company's 20-day volume weighted average share price trades above $0.25.

During June, 2022, 899,990 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised, and 13,406 warrants exercisable at $0.05 per share, expiring June 6, 2022 were exercised, for total proceeds of $73,464.

During June 2022, 400,000 options exercisable at $0.06 per share, expiring July 6, 2022, were exercised for total proceeds of $24,000.

During the subsequent period, from July 1, 2022 and up to July 28,2022, the approval date of these financial statements, there were no shares issued, and none cancelled and returned to treasury.

(Expressed in Canadian Dollars)

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

Year ended September 30, 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.

c) Stock options outstanding

Expiry	Number of options June 30, 2022	Number of options Sept 30, 2021	Exercise Price
July 6, 2022*	**525,000**	925,000	$0.06
July 27, 2024	**1,575,000**	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
May 1, 2027	**1,525,000**	-	$0.18
	5,535,000	4,410,000	

*The expiry date of 925,000 options originally expiring June 26, 2022 was extended to July 6, 2022 due to a blackout period, which automatically extended the expiry date.

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 with the exception of certain options issued May1, 2027; 200,000 options vest on May 27, 2023 and the remaining 200,000 vest on May 27, 2024.

(Expressed in Canadian Dollars)

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

d) Stock option transactions

	Number of options	Weighted average exercise price
Balance, September 30, 2021	4,410,000	$0.091
Issued	1,525,000	$0.18
Exercised	(400,000)	$0.06
Balance, June 30, 2022	5,535,000	$0.118

	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

On June 29, 2022, 400,000 options exercisable at $0.06 per share, expiring July 6, 2022, were exercised for total proceeds of $24,000.

Refer to Note 15 – "Share-based payment transactions" for more information regarding the options issued during the nine-month period ended June 30, 2022 and the year ended September 30, 2021.

During the subsequent period from to July 1, 2022 and up to July 28, 2022, the approval date of these financial statements, no stock options were issued nor exercised; however, 525,000 options expired.

e) Warrant transactions and warrants outstanding

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

Nine-month period ended June 30, 2022

Exercise Price	Expiry	Balance Sept 30, 2021	Warrants Exercised	Warrants Issued	Balance June 30, 2022
$0.08	June 6, 2022	1,399,990	(1,399,990)	-	**-**
$0.05	June 6, 2022	13,416	(13,416)	-	**-**
$0.18	May 27, 2024	-	-	9,615,458	**9,615,458**
		1,413,406	(1,413,406)	9,615,458	**9,615,458**

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

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**

During the subsequent period from July 1, 2022, and up to July 28, 2022, the approval date of these financial statements, no warrants were issued nor exercised and none expired.

13. 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:

		June 30, 2022		September 30, 2021
		Carrying Value		
Financial Assets				
Financial assets measured at fair value:				
Short-term investments	**$**	**281,675**	$	619,686
Financial asset measured at amortized cost:				
Cash	**$**	**1,830,561**	$	1,198,099
Accounts receivable		**27,764**		237
	$	**1,858,325**	$	1,198,336
Financial Liabilities				
Financial liabilities measured at amortized cost:				
Accounts payable and accrued liabilities	**$**	**138,723**	$	186,384

The above noted financial instruments are exclusive of any commodity taxes receivable or payable. 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 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. The Company had US$141,464 ($182,291) in a US denominated bank account at June 30, 2022 (September 30, 2021 - US$248,777, ($316,967)). The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of $18,229 (September 30, 2021 - $31,697). Additionally, at June 30, 2022, accounts payable and accrued liabilities

(Expressed in Canadian Dollars)

13. **Financial instruments** (continued)

include liabilities of US$101,846 ($131,239) (September 30, 2021 - US$106,101 ($135,183)), that must be settled in US$. The effect of a foreign currency increase of decrease of 10% on this liability would result in an increase or decrease of $13,124 (September 30, 2021 – $13,518) to the amount payable.

14. General and administrative

	Three months ended June 30		Nine months ended June 30	
	2022	**2021**	**2022**	**2021**
Administrative consulting fees	**$ 236,525**	$ 41,328	**$ 311,648**	$ 204,320
Stock-based compensation	**169,633**	-	**169,633**	-
Occupancy costs	**4,697**	4,697	**14,092**	14,092
Office, secretarial and supplies	**20,193**	9,950	**42,376**	44,300
Travel and promotion	**10,004**	19,818	**40,671**	37,755
Insurance	**3,366**	2,211	**9,523**	5,766
Directors' fees	**1,000**	1,000	**3,000**	2,600
Computer network and website maintenance	**397**	417	**1,488**	1,882
	$ 445,815	$ 79,421	**$ 592,431**	$ 310,715

15. Stock-based payment transactions

During the three- and nine-month period ended June 30, 2022, the Company issued 1,525,000 options that may be exercised at $0.18 per share to May 1, 2027. The options were valued at $169,633 using the Black-Scholes Options Pricing model assuming a 5-year term volatility of 102.32%, a risk free discount rate of 2.75% and a dividend rate of 0%.

During the three- and nine-month periods ended June 30, 2021, there were no stock-based payment transactions.

16. Loss per share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted earnings (loss) per share if their inclusion would be anti-dilutive. No adjustments were made in arriving at diluted weighted average number of common shares for the three and nine month periods ended June 30:

Weighted average number of common shares:	**2022**	**2021**
Basic and diluted	**76,119,296**	**66,385,870**
Income (loss) per share		
Basic and diluted	$ (0.01)	$ 0.00

(Expressed in Canadian Dollars)

17. Related party balances and transactions and key management remuneration

The Company is considered a related party to Jade Leader Corp. ("Jade Leader") by virtue of common officers and directors. 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:

		Three months ended June 30		Nine months ended June 30	
		2022	**2021**	**2022**	**2021**
	Note				
Key management remuneration:					
President and director	a)	**$ (24,150)**	$ (21,175)	**$ (66,500)**	$ (58,800)
Corporate secretary	b)	**(14,340)**	(7,845)	**(31,200)**	(33,255)
Chief Financial Officer	c)	**-**	-	**-**	-
Director's fees	d)	**(1,000)**	(1,000)	**(3,000)**	(2,600)
		$ (39,490)	$ (30,020)	**$ (100,700)**	$ (94,655)
Other related party transactions:					
Jade Leader					
Office rent and operating costs paid	e)	**$ (4,697)**	$ (4,697)	**$ (14,092)**	$ (14,091)
General and administrative and secretarial costs paid	e)	**$ (3,334)**	$ (932)	**$ (8,731)**	$ (4,721)
General and administrative and secretarial costs received	e)	**$ 176**	$ 503	**$ (678)**	$ 830
Consulting services					
635280 Alberta Ltd.	f)	**$ (6,125)**	$ (594)	**$ (6,125)**	$ (1,219)

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

	Note	June 30, 2022	Sept 30, 2021
Balances receivable (owing)			
Consulting fees:			
President and director	a)	**$ -**	$ (10,106)
Corporate secretary	b)	**$ -**	(1,208)
Exploration and evaluation assets			
President and director	a)	**$ -**	$ (588)
Office rent and operating costs			
Jade Leader Corp.	e)	**$ -**	$ (4,932)
General and administrative and secretarial costs:			
Jade Leader Corp.	e)	**$ -**	$ (1,312)
Jade Leader Corp.	e)	**$ 16**	$ 237
Consulting services			
635280 Alberta Ltd.	f)	**$ (6,125)**	$ -

Management compensation payable to "key management personnel" during the respective three- and nine-month periods is reflected in the table above and consists of consulting fees paid to the President, the CFO, and the Corporate Secretary and directors' fees. Officers and directors are also compensated through the granting of options from time-to-time. During the three- and nine-month period ended June 30, 2022, the Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock based payments of $169,633 that is recorded in general and administrative expenses (Note 15 – "Stock-based payment transactions"). There were no options granted to officers and directors during the three- and nine-month periods ended June 30, 2021. 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.

(Expressed in Canadian Dollars)

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

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. During the nine months ended June 30, 2022 $25,200, (2021 - $33,000), was expensed through reporting to general and administrative expenses and $41,300, (2021 - $25,800), 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) Up to December 31, 2020, the Company paid directors who were not officers of the Company $500 for meeting attendance in person and $300 for meeting attendance by telephone. Effective January 1, 2021, the Company began paying directors $500 for meeting attendance regardless of whether it is attended by phone or in person. There are three directors who are not officers and the amounts above reflect directors' fees paid/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. The Company has leased office space from Jade Leader since April 1, 2015. Jade Leader and the Company share two common officers and two common directors.

f) During the three- and nine-month periods ended June 30, 2022 and the nine-month period ended June 30, 2021 consulting services were provided by 635280 Alberta Ltd.

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:

	Three months ended June 30		Nine months ended June 30	
	2022	**2021**	**2022**	**2021**
Loss before other items	**$ (454,007)**	$ (87,924)	**$ (636,868)**	$ (354,585)
Depreciation	**-**	4	**30**	13
Stock-based compensation	**169,633**	-	**169,633**	-
Changes in assets and liabilities pertaining to operations:				
Accounts receivable	**(40,636)**	11,687	**(41,816)**	2,491
Prepaid expenses	**(2,809)**	17,952	**26,985**	(20,187)
Accounts payable and accrued liabilities	**(9,648)**	(1,028)	**(34,340)**	(52,097)
Cash paid to suppliers and contractors	**$ (337,467)**	$ (59,309)	**$ (516,376)**	$ (424,365)

(Expressed in Canadian Dollars)

18. Supplemental disclosure statement of cash flows (continued)

Reconciliation of cash expended on exploration and evaluation assets:

	Three months ended June 30		Six months ended June 30	
	2022	**2021**	**2022**	**2021**
Change in exploration and evaluation assets	**$ (492,604)**	$ (221,268)	**$ (1,679,146)**	$ (672,575)
Property acquisition – Share issuance	**-**	84,375	**-**	109,375
Changes in assets and liabilities pertaining to operations:				
Accounts receivable	**(13,241)**	4,200	**(14,290)**	2,440
Accounts payable and accrued liabilities	**(184,252)**	1,667	**(13,323)**	(45,968)
Decommissioning obligation	**-**	-	**-**	1,456
Cash expended on exploration and evaluation assets	**$ (690,097)**	$ (131,026)	**$ (1,706,759)**	$ (605,272)

19. Segment disclosures

During the nine-month periods ended June 30, 2022 and June 30, 2021 and the year ended September 30, 2021, 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 June 30, 2022, the value of non-current assets associated with United States operations is $3,654,721 (September 30, 2021 - $1,975,575) including exploration and evaluation asset advances and deposits of $27,874 (September 30, 2021 - $27,874) and exploration and evaluation assets of $3,626,847 (September 30, 202 - $1,947,701). All remaining non-current assets are associated with Canadian operations. Consequently, segmented information is not presented in these financial statements. Refer to Note 8 – “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 is required to pay operating expenses and mineral property costs, including option payments (Note 8). 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 June 30, 2022 and September 30, 2021.

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. 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 June 30, 2022 and September 30, 2021 are as follows:

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

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 nine-month period ended June 30, 2022, the market price fluctuation on the investments held resulted in a net loss of $338,010 (September 30, 2021 - net gain of $138,330) on short-term investments. In 2022, a 10% change in fair value of the Company's marketable investments would result in a charge to income of $28,167 (September 30, 2021 - $61,969). 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; consequently, 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 8 – "Exploration and evaluation assets". The Company undertakes transaction denominated in US currency, consequently it is exposed to exchange rate fluctuations. The effect of a foreign currency increase or decrease of 10% on the US denominated cash balance and liabilities has been disclosed in Note 13 – "Financial instruments".

22. Novel coronavirus pandemic

In early January 2020, a human infection originating in China was traced to a novel strain of coronavirus. The virus has since 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 has intensified. On March 11, 2020, the World Health Organization declared this outbreak of coronavirus ("COVID-19") as a pandemic as the virus continues to spread throughout North America. Throughout the duration of the pandemic, the Company has been able to complete its planned exploration programs with minimal disruption. At this time, the full extent and duration of the impact of COVID-19, including recent new strains, 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 it impact, among others.