# CANEX Metals Inc.

## Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

Three Months Ended December 31, 2022

(Unaudited)

February 10, 2023

## Notice to Reader

The condensed interim consolidated financial statements of CANEX Metal Inc. (“the Company”) for the three-month period ended December 31, 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” | “Chantelle Collins” |
| Shane Ebert<br>President/Director | Chantelle Collins<br>Chief Financial Officer |

# CANEX Metals Inc.
## Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
**As at December 31, 2022 and September 30, 2022**
(Unaudited - Prepared by Management)

| | | December 31 2022 | | September 30 2022 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current Assets** | | | | |
| Cash (Note 5) | **$** | **1,270,740** | $ | 1,458,563 |
| Accounts receivable (Note 6) | | **7,791** | | 6,300 |
| Prepaid expenses | | **34,154** | | 36,209 |
| Short-term investments (Note 7) | | **309,842** | | 309,842 |
| | | **1,622,527** | | 1,810,914 |
| **Non-current Assets** | | | | |
| Exploration and evaluation asset advances and deposits (Note 8) | | **42,966** | | 42,966 |
| Exploration and evaluation assets (Note 8) | | **4,091,710** | | 3,913,041 |
| | | **4,134,676** | | 3,956,007 |
| **TOTAL ASSETS** | **$** | **5,757,203** | $ | 5,766,921 |
| **EQUITY AND LIABILITIES** | | | | |
| **Current Liabilities** | | | | |
| Accounts payable and accrued liabilities (Note 10) | **$** | **42,624** | $ | 93,180 |
| **Non-current liabilities** | | | | |
| Decommissioning obligation (Note 11) | | **51,906** | | 51,906 |
| **TOTAL LIABILITIES** | | **94,530** | | 145,086 |
| **EQUITY** | | | | |
| Share capital (Note 12) | | **20,542,169** | | 20,431,391 |
| Reserves | | **2,225,314** | | 2,225,314 |
| Deficit | | **(17,104,810)** | | (17,034,870) |
| **TOTAL EQUITY** | | **5,662,673** | | 5,621,835 |
| **TOTAL EQUITY AND LIABILITIES** | **$** | **5,757,203** | $ | 5,766,921 |

**Nature and continuance of operations** (Note 1)
**Subsequent events** (Note 22)

**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)
For the three months ended December 31

| | | 2022 | | 2021 |
|---|---|---|---|---|
| **Expenses** | | | | |
| General and administrative (Note 14) | **$** | **60,228** | $ | 88,886 |
| Reporting to shareholders | | **4,095** | | 4,289 |
| Professional fees | | **10,282** | | 7,450 |
| Stock exchange and transfer agent fees | | **2,174** | | 2,142 |
| Depreciation (Note 9) | | **-** | | 30 |
| | | **76,779** | | 102,797 |
| **Loss before other items** | | **(76,779)** | | (102,797) |
| **Other items** | | | | |
| Dividend income | | **-** | | 231,232 |
| Interest and other | | **6,839** | | (4,461) |
| Gain from investments (Note 7) | | **-** | | 63,685 |
| | | **6,839** | | 290,456 |
| **Net (loss) income and comprehensive (loss) income for the period** | **$** | **(69,940)** | $ | 187,659 |
| **Basic and diluted income per share** (Note 16) | **$** | **0.00** | $ | 0.00 |
| **Weighted average shares outstanding** (Note 16) | | | | |
| **Basic** | | **95,040,915** | | 73,442,234 |
| **Diluted** | | **95,040,915** | | 75,538,788 |

**Nature and continuance of operations** (Note 1)

See accompanying notes to the financial statements.

# CANEX Metals Inc.
## Condensed Interim Consolidated Statements Cash Flows
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)
For the three months ended December 31

| | | 2022 | | 2021 |
|---|---|---|---|---|
| **Increase (decrease) in cash** | | | | |
| **Operating activities** | | | | |
| Cash paid to suppliers and contractors | **$** | **(92,668)** | $ | (99,909) |
| **Cash used in operating activities** (Note 18) | | **(92,668)** | | (99,909) |
| **Investing activities** | | | | |
| Interest and other income received | | **6,839** | | (4,461) |
| Cash received on sale of short-term investments | | **-** | | 238,582 |
| Cash expended on exploration and evaluation asset additions (Note 18) | | **(100,272)** | | (378,736) |
| **Cash used in investing activities** | | **(93,433)** | | (144,615) |
| **Financing activities** | | | | |
| Share issue costs | | **(1,722)** | | - |
| **Cash provided by financing activities** | | **(1,722)** | | - |
| **Increase in cash** | | **(187,823)** | | (244,524) |
| **Cash:** | | | | |
| **Beginning of period** | | **1,458,563** | | 1,198,099 |
| **End of period** | **$** | **1,270,740** | $ | 953,575 |

**Supplementary information:**
**Interest and taxes**

During the three-month periods ended December 31, 2022 and December 31, 2021, the Company did not expend cash on interest or taxes.

**Non-cash transactions**

**2023**
During the three-month period ended December 31, 2022, the Company issued 1,000,000 common shares pursuant to an option agreement on the Gold Range Property. (See Note 8 – "Exploration and evaluation assets" for more information).

**2022**
On October 29, 2021, the Company received a dividend in-kind of 79,189 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.

See accompanying notes to the financial statements.

# CANEX Metals Inc.

## Condensed Interim Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)

| | Common share capital $ | Equity-settled share based payment $ | Warrants $ | Other Reserves* $ | Total Reserves $ | Deficit $ | Total $ |
|---|---|---|---|---|---|---|---|
| **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 income for the period | - | - | - | - | - | 187,659 | 187,659 |
| **Balance, December 31, 2021** | **17,789,834** | **222,157** | **794** | **1,886,077** | **2,109,028** | **(16,065,849)** | **3,833,013** |
| Net and comprehensive loss for the period | - | - | - | - | - | (969,021) | (969,021) |
| Warrants exercised, April 2022 | 40,000 | - | - | - | - | - | 40,000 |
| Options issued, May 2022 | - | 139,038 | - | - | 139,038 | - | 139,038 |
| Share issuance, May 2022 | 2,500,021 | - | - | - | - | - | 2,500,021 |
| Warrants exercised, May 2022 | 10,666 | - | - | - | - | - | 10,666 |
| Warrants exercised, June 2022 | 62,798 | - | (794) | - | (794) | - | 62,004 |
| Options exercised, June 2022 | 45,958 | (21,958) | - | - | (21,958) | - | 24,000 |
| Options expired, July 6 2022 | - | (28,819) | - | 28,819 | - | - | - |
| Share issuance costs | (17,886) | - | - | - | - | - | (17,886) |
| **Balance, September 30, 2022** | **20,431,391** | **310,418** | **-** | **1,914,896** | **2,225,314** | **(17,034,870)** | **5,621,835** |
| Net and comprehensive loss for the period | - | - | - | - | - | (69,940) | (69,940) |
| Share issuance - property acquisition (Note 8) | 112,500 | - | - | - | - | - | 112,500 |
| Share issuance costs | (1,722) | - | - | - | - | - | (1,722) |
| **Balance, December 31, 2022** | **20,542,169** | **310,418** | **-** | **1,914,896** | **2,225,314** | **(17,104,810)** | **5,662,673** |

*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. ("CANEX Metals" or the "Company") is engaged in the business of mineral exploration and development in Canada and the USA. 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 $69,940 during the three-month period ended December 31, 2022, and has a deficit of $17,104,810 at December 31, 2022. Operating expenses beyond December 31, 2022, increases in expenditures over budget for the twelve-month period ended December 31, 2023, 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 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 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") and are presented in Canadian dollars.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments described in Note 13 and decommissioning obligation described in Note 11. 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.

### 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, 2022.

CANEX Metals did not adopt any new accounting policies during the three months ended December 31, 2022.

(Expressed in Canadian Dollars)

### 4. Significant 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.
f) Management's assessment of the Company's ability to continue as a going concern involves making judgements as to whether suitable conditions and events exist to support the Company's future operations and is reassessed at each reporting period.

### 5. Cash

Cash is comprised of:

| | | Dec 31, 2022 | | Sept 30, 2022 |
|---|---|---|---|---|
| Current bank accounts | **$** | **1,266,279** | $ | 1,440,507 |
| Cash held in foreign currencies | | **4,461** | | 18,056 |
| | **$** | **1,270,740** | $ | 1,458,563 |

### 6. Accounts receivable

| | | Dec 31, 2022 | | Sept 30, 2022 |
|---|---|---|---|---|
| Trade receivables | **$** | **332** | $ | - |
| Due from related parties | | **-** | | 18 |
| Sales tax receivables | | **7,459** | | 6,282 |
| | **$** | **7,791** | $ | 6,300 |

(Expressed in Canadian Dollars)

## 7. Short-term investments

| Spruce Ridge Resources Ltd.<br>Common shares | Dec 31, 2022 | Sept 30, 2022 |
|---|---|---|
| | **$ 309,842** | $ 309,842 |

The 5,633,500 common shares of Spruce Ridge Resources Ltd. were valued at fair value, based on the respective period-end trading prices, at December 31, 2022 and September 30, 2022, resulting in an unrealized loss of $nil and $309,843 respectively at each period end.

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 three-month period ended December 31, 2021, the Company sold 100% of its Canada Nickel holdings for net proceeds of $238,582, including a realized gain on the sale of $7,350.

## 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, 2022. 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 year ended September 30, 2020. 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 December 31, 2022, under the terms of the Agreement, the Company is committed to the following cash payments and minimum exploration expenditures:

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

(Expressed in Canadian Dollars)

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

The remaining committed option payments of US$30,000 would equate to $40,632 using the December 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 $4,063.

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 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 December 31, 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 $67,720 using the December 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 $6,772.

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. On November 11, 2022, the Company issued 1,000,000 common shares valued at $112,500 in accordance with the agreement, signifying the beginning of Stage 2 obligations and 25% earn in. As well, on November 11, 2022, the agreement was amended to extend the Stage 2 termination date by 10 months, from July 25, 2023 to May 25, 2024. Both the Company and the vendor agreed that an extension was warranted due to industry wide delays in exploration services, permitting, and assay result turnaround times. All other terms of the agreement remain unchanged.

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%

(Expressed in Canadian Dollars)

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

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 December 31, 2022, under the terms of the Agreement, the Company is committed to the following share issuances and minimum exploration expenditures:

| | Termination date | Option payments (Common Shares) | Minimum exploration expenditures (US$) | Earn in on completion of obligation (%) |
|---|---|---|---|---|
| Stage 1 | | 750,000 | 500,000 | 25 |
| Stage 2 | May 25, 2024 | 1,000,000 | 2,000,000 | 26 |
| Stage 3 | May 25, 2026 | 1,000,000 | 2,000,000 | 39 |
| Total | | 2,750,000 | 4,500,000 | 90 |
| Less obligations fulfilled to December 31, 2022 | | (1,750,000) | (1,517,630) | |
| Total remaining commitments to December 31, 2022 | | 1,000,000 | 2,982,370 | |

The remaining committed minimum exploration expenditures of US$2,982,370 equate to $4,039,322 using the December 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 $403,932.

As at December 31, 2022, the Company holds 244 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 December 31, 2022 are $4,091,710 and $nil respectively (September 30, 2022 - $3,913,041 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"). Gibson is 887 Ha in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The purchase 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. The gross costs and impairments recorded to the Gibson Prospect as at December 31, 2022 are $473,527 and $473,527 respectively (September 30, 2022 - $473,527 and $473,527).

During the year ended September 30, 2021, the Company determined that further exploration on this property would no longer be a priority unless a third-party partner could be found to further advance the exploration program; however, the Company continues to hold claims which expire in January 2029. Accordingly, the Company recorded an impairment of the full amount of exploration expenditures to September 30, 2021. In November 2022, the Company received a further extension to meet its minimum exploration expenditures of $500,000 to August 30, 2023. All other terms of the option agreement remain unchanged.

(Expressed in Canadian Dollars)

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

As at December 31, 2022, under the terms of the Agreement, the Company is committed to the following share issuances and minimum exploration expenditures:

| | Altius | |
|---|---|---|
| | Share issues | Minimum Exploration Expenditures* |
| | | ($) |
| Expenditure commitment, on or before August 30, 2023 | - | 500,000 |
| Following the completion of the Expenditure Commitment | 1,240,000 | - |
| Total remaining commitment | 1,240,000 | 500,000 |

* - as at December 31, 2022, the Company has incurred exploration expenditures of $293,500

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 measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years.

Pursuant to the Underlying Agreement, Steven Scott is also entitled to the additional milestone bonuses of 1) $25,000 in cash or securities upon a Bankable Feasibility Study; and 2) $50,000 in cash or securities upon Commercial Production.

A summary of exploration and evaluation expenditures by category for the three-month period ended December 31, 2022 and year ended September 30, 2022 appear below:

| | Arizona, USA |
|---|---|
| **Three-month period ended December 31, 2022** | **Gold Range Property** |
| | **$** |
| **Exploration expenditures:** | |
| **Balance, September 30, 2022** | 3,419,909 |
| Geological consulting | 15,225 |
| Field costs | 462 |
| Travel | 4,196 |
| Geochemical | 10,436 |
| **Balance, December 31, 2022** | **3,450,228** |
| **Property acquisition costs:** | |
| | 493,132 |
| **Balance, September 30, 2022** | |
| Acquisition costs incurred | 148,350 |
| **Balance, December 31, 2022** | **641,482** |
| **Total Exploration and evaluation assets, December31, 2022** | **4,091,710** |

(Expressed in Canadian Dollars)

**8. Exploration and evaluation assets** (continued)

| Year ended September 30, 2022 | Arizona, USA Gold Range Property $ |
|---|---|
| **Exploration expenditures:** | |
| **Balance, September 30, 2021** | 1,587,159 |
| Geological consulting | 214,979 |
| Field costs | 30,163 |
| Equipment rental | 1,932 |
| Travel | 89,319 |
| Geochemical | 535,707 |
| Drilling | 956,050 |
| Decommissioning | 4,600 |
| **Balance, September 30, 2022** | **3,419,909** |
| **Property acquisition costs:** | |
| | 360,542 |
| **Balance, September 30, 2021** | |
| Acquisition costs incurred | 132,590 |
| **Balance, September 30, 2022** | **493,132** |
| **Total Exploration and evaluation assets, September 30, 2022** | **3,913,041** |

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 December 31, 2022, the Company held $10,000 in respect of the Gibson Prospect and $32,966 in respect of the Gold Range Project in exploration and evaluation asset advances and deposits (September 30, 2022 - $10,000 and $32,966 respectively).

**9. Equipment**

| Computer equipment and software | Dec 31, 2022 | Sept 30, 2022 |
|---|---|---|
| **Cost** | | |
| **Balance, beginning of period** | $ - | $ 9,685 |
| **Disposition** | - | (9,685) |
| **Balance, end of period** | - | - |
| **Accumulated depreciation** | | |
| Balance, beginning of period | - | 9,655 |
| Depreciation | - | 30 |
| Disposition | - | (9,685) |
| **Balance, end of period** | - | - |
| **Net book value** | $ - | $ - |

(Expressed in Canadian Dollars)

### 10. Accounts payable and accrued liabilities

| | | Dec 31, 2022 | | Sept 30, 2022 |
|---|---|---|---|---|
| Trade payables | **$** | **2,555** | $ | 45,064 |
| Due to related parties | | **21,772** | | 20,615 |
| Accrued liabilities | | **18,281** | | 27,500 |
| Commodity taxes payable | | **16** | | 1 |
| | **$** | **42,624** | $ | 93,180 |

### 11. Decommissioning obligation

Changes in the decommissioning obligation:

| | | Dec 31, 2022 | | Sept 30, 2022 |
|---|---|---|---|---|
| **Balance, beginning of period** | **$** | **51,906** | **$** | 47,306 |
| Accretion | | **-** | | 4,600 |
| **Balance, end of period** | **$** | **51,906** | **$** | 51,906 |

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 4.06% (September 30, 2022 – 3.79%). The estimated total undiscounted amount, using an inflation rate of 6.80% (September 30, 2022 – 6.84%) for the three-month period ended December 31, 2022 is $58,116 (year ended September 30, 2022 - $52,903). 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.

### 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, 2022** | **94,486,567** | **20,431,391** |
| Share issuance – property acquisition | 1,000,000 | 112,500 |
| Share issuance costs | - | (1,722) |
| **Balance, as at December 31, 2022** | **95,486,567** | **20,542,169** |

| | 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 – May 2022 | 133,330 | 10,666 |
| Warrants exercised – June 2022 | 780,076 | 62,798 |
| Options exercised – June 2022 | 400,000 | 45,958 |
| Share issuance costs | - | (17,886) |
| **Balance, as at September 30, 2022** | **94,486,567** | **20,431,391** |

(Expressed in Canadian Dollars)

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

**Three-month period ended December 31, 2022**

On November 11, 2022, 1,000,000 common shares were issued in accordance with the Excelsior Mine Property option agreement. The share issuance was valued using the closing share price on the transaction date. (Note 8 - "Exploration and evaluation assets").

During the subsequent period, from January 1, 2023, and up to February 10, 2023, the approval date of these financial statements, there were no shares issued, and none cancelled and returned to treasury.

**Year ended September 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.

On May 30, 2022, 133,330 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised for total proceeds of $10,666.

On June 2, 2022, 133,330 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised and 13,416 warrants exercisable at $0.05 per share, expiring June 6, 2022 were exercised, for total proceeds of $11,338.

On June 3, 2022, 633,330 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised for total proceeds of $50,666.

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.

**c) Stock options outstanding**

| | **Number of options** | | **Exercise** |
|---|---|---|---|
| **Expiry** | **Dec 31, 2022** | **Sept 30, 2022** | **Price** |
| 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** | 1,525,000 | $0.18 |
| | **5,010,000** | 5,010,000 | |

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.

(Expressed in Canadian Dollars)

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

**d) Stock option transactions**

**Three-month period ended December 31, 2022**

There were no stock option transactions during the three-month period ended December 31, 2022. The weighted average exercise price of vested options at December 31, 2022 is $0.12.

During the subsequent period from to January 1, 2023, and up to February 10, 2023, the approval date of these financial statements, no stock options were issued, expired or exercised.

**Year ended September 30, 2022**

| | Number of options | Weighted average exercise price |
|---|---|---|
| **Balance, September 30, 2021** | 4,410,000 | $0.09 |
| Issued | 1,525,000 | $0.18 |
| Exercised | (400,000) | $0.06 |
| Expired | (525,000) | $0.06 |
| **Balance, September 30, 2022** | 5,010,000 | $0.12 |

On May 1, 2022, the Company issued 1,525,000 options exercisable at $0.18 per share to May 1, 2027. All of the options have vested as of September 30, 2022 with the exception of 200,000 vesting May 1, 2023 and 200,000 vesting May 1, 2024. The weighted average exercise price of vested options at September 30, 2022 is $0.12. Refer to Note 15 – "Share-based payment transactions" for more information regarding the options issued during the year ended September 30, 2022.

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.

On July 6, 2022, 525,000 options exercisable at $0.06 per share, expired without exercise.

**e) Warrant transactions and warrants outstanding**

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

**Three-month period ended December 31, 2022**

| Exercise Price | Expiry | Balance Sept 30, 2022 | Warrants Exercised | Warrants Issued | Balance Dec 31, 2022 |
|---|---|---|---|---|---|
| $0.18 | May 27, 2024 | 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, 2022**

| Exercise Price | Expiry | Balance Sept 30, 2021 | Warrants Exercised | Warrants Issued | Balance Sept 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** |

During the subsequent period from January 1, 2023, and up to February 10, 2023, the approval date of these financial statements, no warrants were issued, expired or exercised.

**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:

| | | Dec 31, 2022 | | Sept 30, 2022 |
|---|---|---|---|---|
| | | **Carrying Value** | | |
| **Financial Assets** | | | | |
| **Financial assets measured at fair value:** | | | | |
| Short-term investments | **$** | **309,842** | $ | 309,842 |
| **Financial asset measured at amortized cost:** | | | | |
| Cash | | **1,270,740** | | 1,458,563 |
| Accounts receivable | | **332** | | 18 |
| | **$** | **1,271,072** | $ | 1,458,581 |
| **Financial Liabilities** | | | | |
| **Financial liabilities measured at amortized cost:** | | | | |
| Accounts payable and accrued liabilities | **$** | **42,608** | $ | 93,179 |

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 December 31, 2022, the Company had US$3,294, ($4,462) in a US denominated bank account (September 30, 2022 - US$13,173, ($18,056)). The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of $446 (September 30, 2022 - $1,806). Additionally, on December 31, 2022, accounts payable and accrued liabilities include liabilities of US$290, ($393) (September 30, 2022 - US$32,829 ($44,999)), that must be settled in US$. The effect of a foreign currency increase of decrease of 10% on this liability would result in an increase or decrease of $39 (September 30, 2022 – $4,500) to the amount payable.

(Expressed in Canadian Dollars)

### 14. General and administrative

| Three months ended | | Dec 31, 2022 | | Dec 31, 2021 |
|---|---|---|---|---|
| Administrative consulting fees | $ | 39,829 | $ | 42,814 |
| Occupancy costs | | 4,697 | | 4,697 |
| Office, secretarial and supplies | | 8,799 | | 13,018 |
| Travel and promotion | | 288 | | 23,590 |
| Insurance | | 3,938 | | 3,079 |
| Directors' fees | | 1,500 | | 1,000 |
| Computer network and website maintenance | | 1,177 | | 688 |
| | $ | 60,228 | $ | 88,886 |

### 15. Stock-based payment transactions

**Three-month period ended December 31, 2022**

During the three-month period ended December 31, 2022, there were no stock-based payment transactions.

**Year ended September 30, 2022**

During the year ended September 30, 2022, the Company issued 1,525,000 options that may be exercised at \$0.18 per share to May 1, 2027. All of the options have vested as of September 30, 2022 with the exception of 200,000 options vesting May 1, 2023 and 200,000 options vesting May 1, 2024. The options were valued at \$139,068, \$24,105 and \$6,490 respectively, 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%, on the grant date, May 1, 2022.

### 16. Loss per share

Basic income per share is calculated using the weighted average number of common shares outstanding during the period. Diluted income 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 period ended December 31:

| Weighted average number of common shares: | | 2022 | | 2021 |
|---|---|---|---|---|
| **Basic** | | 95,040,915 | | 73,442,234 |
| **Diluted** | | 95,040,915 | | 75,538,788 |
| **Income per share** | | | | |
| Basic | $ | 0.00 | $ | 0.00 |
| Diluted | $ | 0.00 | $ | 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") 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:

| **Three months ended:** | | | **Dec 31, 2022** | | **Dec 31, 2021** |
|---|---|---|---|---|---|
| **Key management remuneration:** | | | | | |
| President and director | a | **$** | **(19,425)** | $ | (22,225) |
| Corporate secretary | b | | **(7,320)** | | (8,745) |
| Chief Financial Officer | c | | **(300)** | | - |
| Directors' fees | d | | **(1,500)** | | (1,000) |
| | | **$** | **(28,545)** | $ | (31,970) |
| **Other related party transactions:** | | | | | |
| **Jade Leader** | | | | | |
| Office rent and operating costs paid | e | **$** | **(4,697)** | $ | (4,697) |
| General, administrative and secretarial costs paid | e | **$** | **(1,343)** | $ | (2,522) |
| General, administrative and secretarial costs received | e | **$** | **316** | | 422 |
| **635280 Alberta Ltd.** | | | | | |
| Geological consulting services | f | **$** | **(300)** | $ | - |

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

| | | | **Dec 31, 2022** | | **Sept 30, 2022** |
|---|---|---|---|---|---|
| **Balances receivable (payable)** | | | | | |
| **Consulting fees:** | | | | | |
| President and director | a | **$** | **(9,555)** | $ | (5,513) |
| Corporate secretary | b | **$** | **(2,551)** | $ | - |
| Chief Financial Officer | c | **$** | **-** | $ | (1,200) |
| Directors' fees | d | **$** | **(1,500)** | $ | - |
| 635280 Alberta Ltd. | f | **$** | **(368)** | | - |
| **Exploration and evaluation assets** | | | | | |
| President and director | a | **$** | **(1,456)** | | - |
| **Office rent and operating costs** | | | | | |
| Jade Leader | e | **$** | **(4,932)** | $ | (4,932) |
| **General and administrative and secretarial costs:** | | | | | |
| Jade Leader | e | **$** | **(1,410)** | $ | (951) |
| Jade Leader | e | **$** | **332** | $ | 18 |
| President and director | a | **$** | **-** | $ | (8,019) |

Management compensation payable to "key management personnel" during the respective three-month periods is reflected in the table above and consists of consulting fees paid to the President, the CFO, the Corporate Secretary, the Chief financial officer and directors' fees. Officers and directors are also compensated through the granting of options from time-to-time. There were no options granted to officers and directors during the three-month period ended December 31, 2022. During the year ended September 30, 2022, the Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments of $139,068 that was recorded in general and administrative expenses (Note 15 – "Share-based payment transactions"). 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 three months ended December 31, 2022, $7,350 (2021 - $9,625), was expensed through general and administrative expenses and $12,075 (2021 - $12,600), 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) The Company pays directors who are not officers of the Company to $500 for meeting attendance in person or by telephone. As at December 31, 2022, there are three directors (December 31, 2021 – two directors) who are not officers and the amounts above reflect directors' fees 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. 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-month period ended December 31, 2022 and the year ended September 30, 2022, geological 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 Dec 31, 2022 | | Three months ended Dec 31, 2021 |
|---|---|---|---|---|
| (Loss) and comprehensive (loss) income | **$** | **(69,940)** | $ | **187,659** |
| Depreciation | | **-** | | **30** |
| Dividend income | | **(6,839)** | | **(231,232)** |
| Interest and other income | | **-** | | **4,461** |
| Gain on short-term investments | | **-** | | **(63,685)** |
| Changes in assets and liabilities pertaining to operations: | | | | |
| Accounts receivable | | **(578)** | | **(2,213)** |
| Prepaid expenses | | **2,055** | | **22,203** |
| Accounts payable and accrued liabilities | | **(17,366)** | | **(17,132)** |
| Cash used in operating activities | **$** | **(92,668)** | $ | **(99,909)** |

(Expressed in Canadian Dollars)

### 18. Supplemental disclosure statement of cash flows (continued)

Reconciliation of cash expended on exploration and evaluation assets:

| | | Three months ended Dec 31, 2022 | | Three months ended Dec 31, 2021 |
|---|---|---|---|---|
| Change in exploration assets | **$** | **(178,669)** | $ | (608,704) |
| Share issuance (Note 8) | | **112,500** | | |
| Changes in assets and liabilities pertaining to exploration and evaluation assets: | | | | |
| Accounts receivable | | **(913)** | | (2,008) |
| Accounts payable and accrued liabilities | | **(33,190)** | | 231,976 |
| Cash expended on exploration and evaluation assets | **$** | **(100,272)** | $ | (378,736) |

### 19. Segment disclosures

During the three-month periods ended December 31, 2022 and December 31, 2021 and the year ended September 30, 2022, 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 December 31, 2022, the value of non-current assets associated with United States operations is $4,124,676 (September 30, 2022 - $3,946,007) including exploration and evaluation asset advances and deposits of $32,966 (September 30, 2022 - $32,966) and exploration and evaluation assets of $4,091,710 (September 30, 2022 - $3,913,041). 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 their receivables and considers credit risk to be low on these instruments as at December 31, 2022 and September 30, 2022.

#### 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 December 31, 2022 and September 30, 2022 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 three-month period ended December 31, 2022, the market price fluctuation on the investments held resulted in a net gain of $nil (September 30, 2022 - net loss of $309,843) on short-term investments. In 2023, a 10% change in fair value of the Company's marketable investments would result in a charge to income of $30,984 (2022 - $30,984).

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 8 – "Exploration and evaluation assets". Refer to Note 13 – "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 December 31, 2022 and September 30, 2022.

## 22. Subsequent events

On February 7, 2023, the Company made a US$20,000 ($27,304) option payment pursuant to an option agreement with Onyx Exploration Inc. Refer to Note 8 – "Exploration and evaluation assets, Gold Range property, Arizona, USA" for more information regarding this transaction.