

Financial Statements of

GOLDEN PURSUIT RESOURCES LTD.

Years Ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Golden Pursuit Resources Ltd.

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has not generated any revenues and has negative cash flow from operations during the year ended September 30, 2022 and, as of that date, the Company has a working capital of deficit of \$272,114 and an accumulated deficit of \$20,901,744. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lonny Wong.

A handwritten signature in black ink that reads "Saturna Group LLP". The signature is written in a cursive, flowing style.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

January 30, 2023

GOLDEN PURSUIT RESOURCES LTD.

Statements of Financial Position
(Expressed in Canadian dollars)

	September 30, 2022 \$	September 30, 2021 \$ (Restated – Note 12)
Assets		
Current assets		
Cash	10,965	53,979
Amounts receivable	62,153	7,253
Prepaid expenses	3,600	119,411
Due from related party (Note 5)	–	65,430
Total current assets	76,718	246,073
Non-current assets		
Property and equipment (Note 3)	22,877	3,280
Mineral properties (Note 4)	90,616	90,616
Total non-current assets	113,493	93,896
Total assets	190,211	339,969
Liabilities and shareholders' equity (deficit)		
Current liabilities		
Accounts payable and accrued liabilities	165,166	97,245
Due to related parties (Note 5)	183,666	–
Total liabilities	348,832	97,245
Shareholders' equity (deficit)		
Share capital (Note 6)	14,900,245	14,156,187
Reserves (Notes 7 and 8)	5,842,878	5,878,603
Deficit	(20,901,744)	(19,792,066)
Total shareholders' equity (deficit)	(158,621)	242,724
Total liabilities and shareholders' equity (deficit)	190,211	339,969

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 13)

Approved and authorized for issuance by the Board of Directors on January 30, 2023:

/s/ "Brian McClay"
Director

/s/ "Peter Watson"
Director

(The accompanying notes are an integral part of these financial statements)

GOLDEN PURSUIT RESOURCES LTD.

Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended September 30, 2022 \$	Year ended September 30, 2021 \$
		(Restated – Note 12)
Expenses		
Automotive (Note 5)	13,729	27,326
Consulting fees	15,961	90,446
Depreciation (Note 3)	4,416	1,463
Foreign exchange loss	393	1,744
Management fees (Note 5)	150,000	150,000
Mineral exploration costs (Note 4)	851,752	144,084
Office and general	11,764	19,645
Professional fees	50,264	38,974
Rent (Note 5)	24,900	18,000
Share-based compensation (Note 8)	–	164,914
Transfer agent and filing fees	28,901	26,428
Travel	1,765	2,613
Total expenses	1,153,845	685,637
Loss before other income	(1,153,845)	(685,637)
Other income		
Flow-through share premium (Note 6)	44,167	–
Option proceeds in excess of capitalized costs (Note 4)	–	6,118
Total other income	44,167	6,118
Net loss and comprehensive loss	(1,109,678)	(679,519)
Loss per share, basic and diluted	(0.03)	(0.02)
Weighted average number of common shares outstanding	32,695,588	27,968,393

(The accompanying notes are an integral part of these financial statements)

GOLDEN PURSUIT RESOURCES LTD.

Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian dollars)

	Share capital		Reserves \$	Deficit \$ (Restated – Note 12)	Total shareholders' equity (deficit) \$ (Restated – Note 12)
	Shares #	Amount \$			
Balance, September 30, 2020	25,212,802	13,789,713	5,421,163	(19,112,547)	98,329
Shares issued pursuant to private placement	3,425,000	414,413	270,587	–	685,000
Share issuance costs	–	(69,939)	21,939	–	(48,000)
Fair value of stock options granted	–	–	164,914	–	164,914
Shares issued for mineral properties	200,000	22,000	–	–	22,000
Net loss for the year	–	–	–	(679,519)	(680,504)
Balance, September 30, 2021	28,837,802	14,156,187	5,878,603	(19,792,066)	241,739
Shares issued pursuant to private placement	4,516,665	677,500	–	–	677,500
Flow-through share premium	–	(44,167)	–	–	(44,167)
Shares issued pursuant to exercise of share purchase warrants	625,000	110,725	(35,725)	–	75,000
Net loss for the year	–	–	–	(1,109,678)	(1,109,678)
Balance, September 30, 2022	33,979,467	14,900,245	5,842,878	(20,901,744)	(159,606)

(The accompanying notes are an integral part of these financial statements)

GOLDEN PURSUIT RESOURCES LTD.

Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended September 30, 2022 \$	Year ended September 30, 2021 \$
		(Restated – Note 12)
Operating activities:		
Net loss	(1,109,678)	(679,519)
Items not involving cash:		
Depreciation	4,416	1,463
Flow-through premium	(44,167)	–
Option proceeds in excess of capitalized costs	–	(6,118)
Share-based compensation	–	164,914
Changes in non-cash operating working capital:		
Amounts receivable	(54,900)	6,824
Prepaid expenses	115,811	(95,811)
Accounts payable and accrued liabilities	67,921	58,188
Due to related parties	249,096	(60,272)
Net cash used in operating activities	(771,501)	(610,331)
Investing activities:		
Acquisition of property and equipment	(24,013)	–
Mineral property option payments received	–	6,118
Mineral property acquisition costs	–	(68,616)
Net cash used in investing activities	(24,013)	(62,498)
Financing activities:		
Proceeds from issuance of common shares	752,500	685,000
Share issuance costs	–	(48,000)
Net cash provided by financing activities	752,500	637,000
Change in cash	(43,014)	(35,829)
Cash, beginning of year	53,979	89,808
Cash, end of year	10,965	53,979
Non-cash investing and financing activities:		
Fair value of common shares issued for mineral properties	–	22,000
Fair value of share purchase warrants issued in private placement recorded in reserves	–	270,587
Fair value of finders' warrants issued for share issuance costs	–	21,939
Fair value of share purchase warrants exercised transferred from reserves to share capital	35,725	–
Fair value of flow-through share premium deducted from share capital	45,167	–

(The accompanying notes are an integral part of these financial statements)

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements

Years Ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

1. Nature of Business and Continuance of Operations

Golden Pursuit Resources Ltd. (the “Company”) is incorporated under the Business Corporations Act (British Columbia) and its principal business activity is the exploration of mineral property reserves for commercially viable mineral reserves. The Company currently holds mineral properties in Canada. The Company’s registered office is located at 652 Millbank, Vancouver, British Columbia, V5Z 4B7.

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (“COVID-19”) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company’s business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows. The Company continues to operate its business, and in response to federal and provincial emergency measures, has requested its employees and consultants work remotely wherever possible.

These financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business. During the year ended September 30, 2022, the Company has not generated any revenues and incurred negative cash flow from operations. As at September 30, 2022, the Company has a working capital deficit of \$272,114 and an accumulated deficit of \$20,901,744. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is pursuing additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast doubt on the Company’s ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Standards Board (“IASB”).

(b) Basis of Measurement

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the fair value of share-based payments, recoverability of exploration and evaluation assets, fair value of flow-through share premium, and unrecognized deferred income tax assets.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements

Years Ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(c) Use of Estimates and Judgments (continued)

Critical accounting judgments include the inputs used in the accounting for share-based payments, which requires management to determine factors that may impact the overall fair value of share-based payments including, but not limited to, the expected life.

The application of the Company's accounting policy for mineral properties requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(e) Property and Equipment

Property and equipment is recorded at cost. The Company depreciates the cost of property and equipment over their estimated useful lives at the following annual rates using the declining method:

Computer equipment	60%
Vehicles	30%

Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date. Subsequent expenditure relating to an item of property and equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance expenses during the period in which they are incurred.

(f) Foreign Currency Translation

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign currency gains and losses arising from translation are included in the statement of operations.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Years Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(g) Mineral Properties

(i) Mineral Property Costs

All costs directly related to the acquisition of mineral properties are recognized and capitalized once the legal right to explore a property has been acquired.

When a project is deemed to no longer have commercially viable prospects to the Company, capitalized expenditures in respect of that project are deemed to be impaired. As a result, those expenditures, in excess of estimated recoveries, are written-off to the statement of operations. As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized costs

(ii) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures, including costs incurred prior to the Company obtaining legal rights to explore a property, are expensed in the period in which they occur. Such expenditures continue to be expensed until commercially viable and technically feasible mineral resources are established and management has made a decision to proceed with development of the property for mining operations. At this point, costs, including costs incurred in preparing the site for mining operations, are capitalized into development costs in the statement of financial position. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development costs.

(h) Impairment of Non-Financial Assets

At each reporting period, the Company assesses whether there are indicators of impairment for its non-financial assets, including mineral properties and equipment. If indicators exist, the Company determines if the recoverable amount of the asset is greater than its carrying amount. If the carrying amount exceeds the recoverable amount, the asset is recorded at its recoverable amount with the reduction recognized in the statement of operations. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset and these reversals are recognized in the statement of operations. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

(i) Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

(j) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Years Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to/from related parties	Amortized cost

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Years Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(k) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Years Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(k) Income Taxes (continued)

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(l) Share Capital

(i) Unit Offerings

The Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair values of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from share-based payment reserve to share capital. If the warrants expire unexercised, the applicable amount remains in share-based payment reserve.

(ii) Flow-through Shares

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

(m) Loss per Share

Basic earnings (loss) per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted earnings (loss) per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. As at September 30, 2022, the Company had 5,565,000 (2021 – 7,565,000) potentially dilutive shares outstanding.

(n) Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations.

(o) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2022, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Years Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(p) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Expected volatility is estimated by considering historic average share price volatility.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

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

3. Property and Equipment

	Computer equipment \$	Vehicles \$	Total \$
Cost:			
Balance, September 30, 2020 and 2021	2,722	22,623	25,345
Additions	—	24,013	24,013
Balance, September 30, 2022	2,722	46,636	49,358
Accumulated depreciation:			
Balance, September 30, 2020	2,658	17,944	20,602
Additions	60	1,404	1,464
Balance, September 30, 2021	2,717	19,348	22,066
Additions	4	4,412	4,416
Balance, September 30, 2022	2,721	23,760	26,481
Carrying amounts:			
As at September 30, 2021	5	3,275	3,280
As at September 30, 2022	1	22,876	22,877

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Years Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

4. Mineral Properties

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated rights of ownership of all of the mineral concessions in which it has an interest and, to the best of its knowledge, all agreements relating to such ownership rights are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements, or transfers, and rights of ownership may be affected by undetected defects.

Acquisition costs:

	Gordon Lake Project \$	Myrt Lake Project \$	Total \$
Balance, September 30, 2020	—	—	—
Additions	79,848	10,768	90,616
Balance, September 30, 2021 and 2022	79,848	10,768	90,616

Mineral exploration costs:

	Year ended September 30, 2022 \$	Year ended September 30, 2021 \$
		(Restated - Note 12)
Claims maintenance fees	3,020	68,602
Data collection and research	840,807	32,700
Geological and geophysical	7,925	42,782
	851,752	144,084

Nevada Claims, Nevada, USA

During the year ended September 30, 2016, the Company staked 98 claims across seven counties in Nevada, USA. The Company capitalized \$20,524 of acquisition costs in connection with its Nevada claims. During the year ended September 30, 2019, the Company received option proceeds of \$216,083 pursuant to letter of intent agreements with Stevens Gold Nevada Inc. ("Stevens Gold"), of which \$20,524 was offset against the capitalized acquisition costs and the excess of \$195,559 was recognized in the statement of operations. During the year ended September 30, 2020, the Company received option proceeds of \$33,289 from Stevens Gold which was recognized in the statement of operations.

On October 10, 2018 (as amended on October 6, 2020), the Company entered into a Letter of Intent ("LOI") agreement with Stevens Gold, whereby the Company granted the right to purchase a 60% interest in the Black Point Project located in Eureka County, Nevada, USA property. Under the terms of the LOI, Stevens Gold will have the right to purchase a 60% interest in the property by making a payment of US\$500,000 at any time while the LOI or a follow-up lease/option to purchase agreement is in effect. Until the payment of the purchase price is made, Stevens Gold is to make annual lease payments, which shall not constitute a portion of the purchase price, as follows:

- US\$25,000 within 5 business days after signing (received);
- US\$25,000 on or before October 10, 2019 (received);
- US\$25,000 on or before December 9, 2020;
- US\$50,000 on or before October 10, 2021;
- US\$50,000 on or before October 10, 2022; and
- US\$100,000 on or before October 10, 2023 and annually thereafter.

The Company retains a 2% Net Smelter Return Royalty ("NSR") on the property.

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4. Mineral Properties (continued)

Nevada Claims, Nevada, USA (continued)

In October 2020, Stevens Gold paid \$6,118 (US\$5,000) to the Company to amend the due date of the payment that was due on October 10, 2020. On December 4, 2020, Stevens Gold terminated the LOI.

Gordon Lake Property, NWT, Canada

As at September 30, 2022, the Company owns a mineral lease for its Gordon Lake Property.

On October 28, 2020, the Company staked 13 territorial mineral claims and 12 federal mineral claims on the Gordon Lake Project, Northwest Territories for \$37,848.

On August 4, 2021, the Company entered into purchase agreements with Dave Nickerson and Mike Vaydik ("Vendors") to acquire 100% right, title, and interest in Mining Lease 3249 and Mining Lease 3340 which are both located near the Gordon Lake Property. The Company paid \$20,000 and issued 200,000 common shares with a fair value of \$22,000 to the Vendors. Both agreements are subject to a 2% NSR royalty with the option of the Company to purchase one half of the 2% NSR royalty for \$1,000,000.

Myrt Lake Project, NWT, Canada

On November 10, 2020, the Company staked 1 territorial mineral claim and 1 federal mineral claim, which is located near Yellowknife, Northwest Territories for \$10,768.

5. Related Party Transactions

- (a) As at September 30, 2022, the Company owed \$177,304 to (2021 – \$65,430 was owed from) the President and CEO of the Company, which is unsecured, non-interest bearing, and due on demand.
- (b) As at September 30, 2022, the Company owed \$6,362 to (2021 – \$nil) a company owned by a daughter of the President and CEO of the Company which is unsecured, non-interest bearing, and due on demand.
- (c) During the year ended September 30, 2022, the Company incurred management fees of \$150,000 (2021 - \$150,000), rent of \$21,000 (2021 – \$18,000), and automotive expenses of \$12,000 (2021 - \$18,000) to a company owned by a daughter of the President and CEO of the Company.

6. Share Capital

Authorized: Unlimited number of common shares with no par value
Unlimited number of preferred shares with no par value

Share issuances for the year ended September 30, 2022:

- (a) During the year ended September 30, 2022, the Company issued 625,000 common shares for proceeds of \$75,000 pursuant the exercise of share purchase warrants. The fair value of the share purchase warrants of \$35,725 was transferred from reserves to share capital.
- (b) On December 13, 2021, the Company issued 4,416,665 flow-through common shares at \$0.15 per share for proceeds of \$662,500. Included in this private placement were 1,683,333 common shares issued for proceeds of \$252,500 to family members of the President and CEO of the Company. The fair value of the flow-through share premium was determined to be \$44,167 which was recognized in the statement of operations.
- (c) On December 13, 2021, the Company issued 100,000 non flow-through common shares at \$0.15 per share for proceeds of \$15,000.

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6. Share Capital (continued)

Share issuances for the year ended September 30, 2021:

- (d) On September 22, 2021, the Company issued 200,000 common shares with a fair value of \$22,000 pursuant to the mineral property purchase agreements for the Gordon Lake claims acquired. Refer to Note 4.
- (e) On December 10, 2020, the Company issued 3,425,000 units at \$0.20 per unit for gross proceeds of \$685,000. Each unit consisted of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at \$0.30 per common share expiring on December 10, 2022. The fair value of the share purchase warrants issued of \$270,587 was allocated to reserves. The Company incurred share issuance costs of \$48,000 and issued 240,000 finders' warrants with a fair value of \$21,939 in connection with this private placement. Each finders' warrant is exercisable at \$0.30 per common share expiring on December 10, 2022.

7. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price \$
Balance, September 30, 2020	2,000,000	0.12
Issued	3,665,000	0.30
Balance, September 30, 2021	5,665,000	0.24
Expired	(1,375,000)	0.12
Exercised	(625,000)	0.12
Balance, September 30, 2022	3,665,000	0.30

As at September 30, 2022, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
3,665,000	0.30	December 10, 2022

8. Stock Options

The Company has reserved 10% of the issued common shares pursuant to an incentive share-based payment plan (the "Plan"). Options to purchase common shares of the Company under the Plan may be granted by the Board of Directors to a director, officer, employee, or consultant of the Company. The options are subject to any vesting limitations, exercise process, and exercise periods as determined by the Board of Directors.

	Number of options	Weighted average exercise price \$
Outstanding, September 30, 2020	1,250,000	0.40
Granted	950,000	0.20
Cancelled	(300,000)	0.40
Outstanding, September 30, 2021 and 2022	1,900,000	0.30

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8. Stock Options

Additional information regarding stock options outstanding as at September 30, 2022, is as follows:

Range of exercise prices \$	Outstanding and exercisable		
	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.20	950,000	3.3	0.20
0.40	950,000	0.5	0.40
	1,900,000	1.9	0.30

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the year ended September 30, 2022, the Company recognized share-based compensation expense of \$nil (2021 – \$165,914) in share-based payment reserve. During the year ended September 30, 2022, the weighted average grant date fair value \$nil (2021 – \$0.17) per option.

The weighted average assumptions used in calculating the fair value of share-based compensation expense, assuming no dividends or expected forfeitures, are as follows:

	2022	2021
Risk-free interest rate	—	0.46%
Expected volatility	—	136%
Expected life (years)	—	5

9. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's financial instruments, which include cash, accounts payable and accrued liabilities, and amounts due from and to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is on its cash.

The Company manages its credit exposure by holding its cash with high credit quality financial institutions. The Company's maximum credit exposure for cash is the carrying value of \$10,965.

The Company determined that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is held in business accounts and is available on demand.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements

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9. Financial Instruments and Risk Management (continued)

(c) Liquidity and Funding Risk

Liquidity and funding risk is the risk that the Company will not have sufficient capital to meet short-term operating requirements, after taking into account the Company's holdings of cash.

As at September 30, 2022, the Company has a working capital deficit of \$272,114. In the case of cash deficits arising from exploration commitments and general operating budgets, the Company will have to seek debt or equity financing. There are no assurances that such financing will be available on terms acceptable to the Company.

(d) Market Risk

(i) Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments.

The Company had \$10,965 in cash at September 30, 2022. The bank account is not an interest-bearing bank account and currently the Company does not hold any investments or financial liabilities on which interest accrues, and is therefore not subject to a significant amount of interest rate risk.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has an office in Canada and holds cash in Canadian dollar and US dollar currencies in line with forecasted expenditures. The impact of foreign exchange rates on the financial statements is not significant.

As at September 30, 2022, the Company had no hedging agreements in place with respect to foreign exchange rates.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

10. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended September 30, 2021.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
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11. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2022 \$	2021 \$
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(299,613)	(183,470)
Tax effect of:		
Permanent differences and other	(9,980)	31,785
Change in unrecognized deferred income tax assets	309,593	151,685
Income tax provision	—	—

The significant components of deferred income tax assets and liabilities are as follows:

	2022 \$	2021 \$
Deferred income tax assets		
Non-capital losses carried forward	1,674,775	1,592,778
Resource pools	1,278,439	1,049,012
Share issuance costs	8,640	11,664
Property and equipment	124,946	123,753
Total gross deferred income tax assets	3,086,800	2,777,207
Unrecognized deferred income tax assets	(3,086,800)	(2,777,207)
Net deferred income tax asset	—	—

As at September 30, 2022, the Company has non-capital losses carried forward totaling \$6,202,872 expire as follows:

	\$
2026	338,168
2027	318,785
2028	399,260
2029	290,337
2030	297,441
2031	424,636
2032	563,936
2033	320,765
2034	419,498
2035	97,134
2036	201,072
2037	240,620
2038	335,751
2039	315,779
2040	942,580
2041	388,368
2042	308,742
	6,202,872

The Company also has available mineral resource related expenditure pools totalling \$4,825,576 which may be deducted against future taxable income on a discretionary basis.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
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12. Restatement

The Company has restated its financial statements for the year ended September 30, 2021 for mineral exploration invoices that were missed. This restatement resulted in an increase in net loss from \$659,819 to \$679,519 for the year ended September 30, 2021.

The impact of the restatement as at September 30, 2021 and for the year then ended are summarized below:

Statement of Financial Position

	As at September 30, 2021		
	As reported \$	Adjustment \$	As restated \$
Assets			
Current assets			
Amounts receivable	6,268	985	7,253
Total current assets	245,088	985	246,073
Total assets	338,984	985	339,969
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	76,560	20,685	97,245
Total liabilities	76,560	20,685	97,245
Shareholders' equity			
Deficit	(19,772,366)	(19,700)	(19,792,066)
Total shareholders' equity	262,424	(19,700)	242,724
Total liabilities and shareholders' equity	338,984	985	339,969

Statements of Operations and Comprehensive Loss

	Year ended September 30, 2021		
	As reported \$	Adjustment \$	As restated \$
Expenses			
Mineral exploration costs	124,384	19,700	144,084
Total expenses	665,937	19,700	685,637
Loss before other income	(665,937)	(19,700)	(685,637)
Net loss and comprehensive loss	(659,819)	(19,700)	(679,519)
Loss per share, basic and diluted	(0.02)	—	(0.02)
Weighted average shares outstanding	27,968,393	—	27,968,393

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
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12. Restatement (continued)

Statement of Shareholders' Equity

	Year ended September 30, 2021		
	As reported \$	Adjustment \$	As restated \$
Deficit	(19,772,366)	(19,700)	(19,792,066)
Total shareholders' equity	262,424	(19,700)	242,724

Statement of cash flows

	Year ended September 30, 2021		
	As reported \$	Adjustment \$	As restated \$
Operating activities			
Net loss	(659,819)	(19,700)	(679,519)
Changes in non-cash working capital:			
Amounts receivable	7,809	(985)	6,824
Accounts payable and accrued liabilities	37,503	20,685	58,188
Net cash used in operating activities	(610,331)	—	(610,331)

13. Subsequent Events

On November 7, 2022, the Company issued 2,333,333 flow-through units \$0.15 at per unit for gross proceeds of \$350,000. Each unit consisted of one flow-through common share and one share purchase warrant. Each share purchase warrant is exercisable at \$0.20 per common share expiring on November 7, 2024.

On November 7, 2022, the Company issued 2,680,000 non flow-through units at \$0.125 per unit for gross proceeds of \$335,000. Each unit consisted of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at \$0.15 per common share expiring on November 7, 2024.

In connection with these private placements, the Company incurred share issuance costs of \$5,250 and issued 42,000 finders' warrants. Each finders' warrant is exercisable at \$0.20 per common share expiring on November 7, 2024.