BOLT METALS

BOLT METALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

BOLT METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)
AS AT

		September 30, 2022		December 31, 2021
ASSETS				
Current				
Cash	$	234,697	$	600,380
Receivables		19,095		36,652
Prepaid expenses		47,249		55,666
Advances		-		1,177
		301,041		693,875
Equipment (Note 4)		-		8,082
Reclamation deposit (Note 6)		169,415		169,415
	$	470,456	$	871,372
LIABILITIES AND EQUITY (DEFICIENCY)				
Current				
Accounts payable and accrued liabilities (Notes 7 and 11)	$	825,465	$	617,478
Deposit (Note 6)		320,596		320,596
Taxes payable		71,200		71,200
		1,217,261		1,009,274
Equity (deficiency)				
Share capital (Note 8)		15,337,463		15,337,463
Reserves (Note 8)		16,266		16,266
Deficit		(15,909,495)		(15,302,438)
Equity attributable to the Company's shareholders		(555,766)		51,291
Non-controlling interest (Note 10)		(191,039)		(189,193)
		(746,805)		(137,902)
	$	470,456	$	871,372

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved and authorized on behalf of the Board:

"*Ranjeet Sundher*"
Director

"*Steve Vanry*"
Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BOLT METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
EXPENSES				
Consulting fees (Note 11)	$ 4,500	$ 4,500	$ 13,500	$ 13,500
Exploration expenditures (Note 6)	52,008	54,557	176,543	179,618
Foreign exchange	22,442	20,898	22,176	10,210
Interest and bank charges	676	354	2,411	1,587
Office and miscellaneous	13,736	14,100	41,632	51,060
Management fees (Note 11)	48,325	46,666	143,663	140,960
Marketing	-	30,000	-	55,000
Professional fees (Note 11)	36,603	33,932	107,476	102,559
Property investigation costs (Notes 9 and 11)	-	4,500	6,000	13,500
Rent	-	-	-	750
Shareholder liaison and filing fees	8,695	11,765	27,322	36,082
Transfer agent	674	1,329	4,813	5,062
	(187,659)	(222,601)	(545,536)	(609,888)
Loss and comprehensive loss for the period	$ (187,659)	$ (222,601)	$ (545,536)	$ (609,888)
Loss and comprehensive loss attributable to:				
Equity holders of the Company	$ (180,276)	$ (215,673)	$ (543,690)	$ (612,611)
Non-controlling interest (Note 10)	(7,383)	(6,928)	(1,846)	2,723
	$ (187,659)	$ (222,601)	$ (545,536)	$ (609,888)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.04)
Weighted average number of common shares outstanding	14,981,415	14,894,560	14,981,415	13,710,754

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BOLT METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)
FOR THE NINE MONTHS ENDED SEPTEMBER 30,

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (545,536)	$ (609,888)
Item not affecting cash:		
Depreciation	8,082	17,575
Changes in non-cash working capital items:		
Receivables	17,557	13,126
Prepaid expenses	8,417	(25,212)
Advances	1,177	-
Accounts payable and accrued liabilities	207,987	35,576
Net cash used in operating activities	(302,316)	(568,823)
CASH FLOWS FROM INVESTING ACTIVITY		
Advance non-controlling interest payment	(63,367)	(114,556)
Net cash used in investing activity	(63,367)	(114,556)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of common shares	-	722,400
Proceeds from exercise of warrants	-	64,109
Share issue costs	-	(14,700)
Net cash provided by financing activities	-	771,809
Change in cash for the period	(365,683)	88,430
Cash, beginning of period	600,380	395,941
Cash, end of period	$ 234,697	$ 484,371

Supplemental disclosure with respect to cash flows (Note 12)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BOLT METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital					
	Number	**Amount**	**Reserves**	**Deficit**	**Non-controlling interest**	**Total**
Balance at December 31, 2020	12,225,774	$ 14,581,920	$ 851,119	$ (14,841,041)	$ 77,882	$ 669,880
Shares issued for cash	2,580,000	722,400	-	-	-	722,400
Shares issued for exercise of warrants	175,641	64,109	-	-	-	64,109
Share issue costs	-	(30,966)	16,266	-	-	(14,700)
Allocation of cancelled options	-	-	(851,119)	851,119	-	-
Advance non-controlling interest payment (Note 6)	-	-	-	(114,556)	-	(114,556)
Loss for the period	-	-	-	(612,611)	2,723	(609,888)
Balance at September 30, 2021	14,981,415	$ 15,337,463	$ 16,266	$(14,717,809)	$ 80,605	$ 717,245
Balance at December 31, 2021	14,981,415	$ 15,337,463	$ 16,266	$ (15,302,438)	$ (189,193)	$ (137,902)
Advance non-controlling interest payment (Note 6)	-	-	-	(63,367)	-	(63,367)
Loss for the period	-	-	-	(543,690)	(1,846)	(545,536)
Balance at September 30, 2022	14,981,415	$ 15,337,463	$ 16,266	$ (15,909,495)	$ (191,039)	$ (746,805)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Bolt Metals Corp. ("the Company") operates in the mineral resource industry and trades on the Canadian Securities Exchange ("CSE") under the symbol BOLT, on the OTCQB under the symbol PCRCF, and on the Frankfurt Exchange under the symbol NXFE. The Company's head office is located at Suite 300 - Bellevue Centre, 235 - 15th Street, West Vancouver, BC, V7T 2X1 and its registered records office is located at Bentall 5, 550 Burrard Street, Suite 1008, Vancouver, BC, V6C 2B5.

The Company's principal business activities include the acquisition and exploration of mineral exploration and evaluation assets in Indonesia. In fiscal 2021, the Company recorded an impairment on its exploration and evaluation asset due to the revocation of its mining permit (Note 6). To date, the Company has not earned any revenues.

These condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. These condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's continuation as a going concern is dependent upon the successful results from its business activities, its ability to obtain profitable operations and generate funds, and/or complete financings sufficient to meet current and future obligations, which in turn is dependent upon the existence of economically recoverable reserves and market prices for the underlying minerals. The Company will be required to raise funding to continue operations in the upcoming year. These material uncertainties may cast significant doubt as to the ability of the Company to continue as a going concern. Management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The worldwide spread of COVID-19 and the impact of the Canadian and Indonesia governments' efforts to minimize the impact resulted in planned development activities in Indonesia to be put on hold. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its ongoing effects on the Company's business or results of operations or its ability to raise funds.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee. They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and, therefore, should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021, prepared in accordance with IFRS as issued by the IASB.

Approval of the financial statements

These condensed interim consolidated financial statements were authorized by the Board of Directors of the Company on November 28, 2022.

2. BASIS OF PREPARATION (cont'd…)

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and certain financial assets that are measured at fair value.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company and its subsidiaries.

Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed interim consolidated financial statements.

For partially owned subsidiaries, non-controlling interest represents the portion of a subsidiary's earnings and losses and net assets that is not held by the Company. Adjustments to non-controlling interest are accounted for as transactions with owners and adjustments that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Name of Subsidiary	Country of Incorporation	Percentage of Ownership	Principal Activity
1121844 BC Ltd.	Canada	100%	Holding company
Cobalt Power (Asia) Limited ("CPA HK")	Hong Kong	100%	Holding company
Pacific Rim Mining Limited	Hong Kong	100%	Inactive
Pacific Rim Processing Limited	Hong Kong	100%	Holding company
Minerals Harvest Limited	Hong Kong	100%	Holding company
PT. Tablasufa Nickel Mining ("TNM")	Indonesia	65%	Exploration in Indonesia
PT. Pacific Rim Mineral Indonesia	Indonesia	100%	Exploration in Indonesia

Significant estimates

The preparation of these condensed interim consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

2. BASIS OF PREPARATION (cont'd…)

Significant estimates (cont'd…)

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Determination of income taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.

The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

Significant judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are, but are not limited to, the following:

Acquisition of non-controlling interest "NCI" over time

The Company has entered into an agreement to acquire a remaining 35% interest in a company holding a mineral project over a three year period. The acquisition payments are capital transactions and are recorded through deficit. Upon completion of the acquisition of the 35% interest, the Company will reduce NCI to $nil and adjust deficit accordingly.

Determination of functional currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of each entity to be the Canadian dollar. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

Going concern

The Company has exercised judgment in determining whether its available funds are sufficient to continue operations for 12 months from the end of the reporting period.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

There have been no significant changes to the Company's significant accounting policies from those disclosed in the audited consolidated financial statements for the year ended December 31, 2021.

4. EQUIPMENT

	Equipment	Total
Cost		
December 31, 2020, December 31, 2021, and September 30, 2022	$ 78,033	$ 78,033
Accumulated depreciation		
December 31, 2020	$ 50,443	$ 50,443
Depreciation	19,508	19,508
December 31, 2021	69,951	69,951
Depreciation	8,082	8,082
September 30, 2022	$ 78,033	$ 78,033
Net Book Value		
December 31, 2021	$ 8,082	$ 8,082
September 30, 2022	$ -	$ -

Depreciation is included in equipment in exploration and evaluation expenditures.

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

Set out below are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements.

	Right-of-use assets	Lease liabilities
December 31, 2020	$ 2,944	$ -
Depreciation expense	(2,944)	-
December 31, 2021 and September 30, 2022	$ -	$ -

Depreciation of right-of-use assets is in supplies and miscellaneous in exploration and evaluation expenditures. Interest expense related to lease liabilities is included in interest and bank charges.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Property	Cyclops Property	Total
December 31, 2020	$ 741,948	$ 741,948
Impairment	(741,948)	(741,948)
December 31, 2021 and September 30, 2022	$ -	$ -

Cyclops Property

CPA HK is party to an option agreement to acquire all of the issued and outstanding securities of TNM, which holds a mining permit for the Cyclops property located in the located in Depapre District, Jayapura Regency, Papua Province, Republic of Indonesia. TNM is a private Indonesia company holding an Izin Usaha Pertambangan Operation Production Mining Permit for the TNM Cobalt Project. On July 16, 2018, the Company acquired 65% of the issued and outstanding shares of TNM.

On June 17, 2019, the Company entered into an amended agreement with the vendor for the acquisition of the remaining 35% of TNM. Under the terms of the agreement, the Company is required pay US$1,220,000 as follows:

i. US$120,000 on or before June 15, 2020 (paid);
ii. US$120,000 on or before June 15, 2021 (paid); and
iii. US$980,000 on or before June 15, 2022.

The Company has the right to defer the final payment date for a period of one year by delivering written notice and paying an additional US$120,000 on or before June 15, 2022.

Payments made prior to signing the agreement and toward the acquisition of the 35% interest will be recorded to deficit as an advance non-controlling interest payment. As at September 30, 2022, the Company had paid a total of $628,815 (December 31, 2021 - $565,448) in advance non-controlling interest payments.

Upon obtaining control, the Company will grant a 2% net smelter returns royalty (“NSR”) on future production. During the year ended December 31, 2021, the Company entered into an agreement to give the Company the option buy back the 2% NSR for US$1,500,000 before March 28, 2022 (subsequently expired).

On December 21, 2021 the Company entered into a conditional share sale and purchase agreement (the “TNM Agreement”), pursuant to which Nickel Mines Limited (“Nickel Mines”) has agreed to acquire the Company’s interest in the Cyclops nickel-cobalt property (the “Transaction”).

Pursuant to the TNM Agreement and subject to approval of the Transaction by the shareholders of the Company, the Company will receive cash payments in the aggregate amount of US$6,020,000 in exchange for the Company’s 65% interest in the Cyclops property. If the shareholders of the Company do not approve the Transaction, Nickel Mines will have the right to acquire 10% of the Company’s interest in the Cyclops property for total consideration to the Company of US$750,000.

Completion of the Transaction is subject to due diligence, regulatory and shareholder approval and the successful extension of the mining permit for the Cyclops property. A finder’s fee is payable in connection with the Transaction.

In fiscal 2021, the Company received $320,596 (US$250,000) as a non-refundable advance on the TNM Agreement, which was recorded as income in the year. In fiscal 2021, the Company also received $320,596 (US$250,000) as a refundable deposit on the TNM Agreement, which was recorded as a deposit as the funds will be returned, under certain conditions, should the Transaction not close.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Cyclops Property (cont'd…)

In February 2022, the government of Indonesia revoked the mining permit for the Cyclops property; accordingly, in fiscal 2021, the Company recorded an impairment charge of $741,948 on the Cyclops property.

The Company is currently negotiating an amendment to the June 17, 2019 amended agreement for the acquisition of the remaining 35% of TNM.

Reclamation deposit

As at September 30, 2022, the Company has a reclamation deposit of $169,415 (December 31, 2021 - $169,415) to cover potential work requirements on the Cyclops property.

Exploration and evaluation expenditures

Exploration and evaluation expenditures for the nine months ended September 30, 2022 are as follows:

Property	**Cyclops Property**	**Total**
Equipment	$ 7,902	$ 7,902
Supplies and miscellaneous	21,464	21,464
Wages and benefits	147,177	147,177
	$ 176,543	$ 176,543

Exploration and evaluation expenditures for the nine months ended September 30, 2021 are as follows:

Property	**Cyclops Property**	**Total**
Equipment	$ 14,353	$ 14,353
Permitting	2,073	2,073
Professional	2,246	2,246
Supplies and miscellaneous	22,671	22,671
Wages and benefits	138,275	138,275
	$ 179,618	$ 179,618

(Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		September 30, 2022		December 31, 2021
Accounts payable	$	741,903	$	494,143
Accrued liabilities		83,562		123,335
	$	825,465	$	617,478

8. SHARE CAPITAL AND RESERVES

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

During the nine months ended September 30, 2022, the Company did not issue any shares.

During the nine months ended September 30, 2021, the Company:

i. issued 2,580,000 units at a price of $0.28 per unit by way of a non-brokered private placement for proceeds of $722,400. Each unit was comprised of one common share and one share purchase warrant, which will entitle the holder of each whole warrant to acquire an additional common share of the Company at a price of $0.35 per common share, for a period of 24 months from the date of issue. The Company paid a total of $14,700 in cash for fees and issued 52,500 finders' warrants. Each finder's warrant entitles the holder to purchase one common share at a price of $0.35 per common share, for a period of 24 months from the date of issue. The finders' warrants were valued at $16,266, calculated using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free interest rate of 0.30%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 184% and
ii. issued 175,641 common shares, for proceeds of $64,109, pursuant to the exercise of warrants.

Stock options

The Company has a stock option plan that provides for the issuance of options to directors, officers, employees and consultants of the Company to purchase common shares. The maximum aggregate number of plan shares that may be reserved for issuance under the plan at any point in time is 10% of the outstanding shares at the time. Vesting is determined at the discretion of the Board of Directors.

During the nine months ended September 30, 2022, the Company cancelled nil (2021 - 793,269) stock options; accordingly, the $nil (2021 - $851,119) of share-based payments expense associated with the cancelled stock options that had vested was reclassified from reserves to deficit.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (cont'd…)

Stock options (cont'd…)

Stock option activities are summarized as follows:

	Number of options		Weighted average exercise price
Outstanding at December 31, 2020	793,269	$	1.68
Cancelled	(793,269)		1.68
Outstanding at December 31, 2021 and September 30, 2022	-	$	-
Exercisable at December 31, 2021 and September 30, 2022	-	$	-

Warrants

Warrant activities are summarized as follows:

	Number of warrants		Weighted average exercise price
Outstanding at December 31, 2020	951,493	$	1.04
Issued	2,632,500		0.35
Exercised	(175,641)		0.37
Outstanding at December 31, 2021 and September 30, 2022	3,408,352	$	0.35

The Company has outstanding warrants entitling the holder to purchase an aggregate of common shares at September 30, 2022 as follows:

Number of warrants		Exercise price	Expiry date	Contractual life remaining (years)
775,852	$	0.365[(1)]	February 6, 2023	0.35
2,632,500	$	0.35	April 30, 2023	0.58
3,408,352				

(1) In fiscal 2021, the Company reduced the exercise price from $1.04 to $0.365 and extended the expiry date from February 6, 2021 to February 6, 2023. The warrants are subject to an acceleration clause.

(Expressed in Canadian Dollars)

9. PROPERTY INVESTIGATION COSTS

Property investigation costs for the nine months ended September 30, 2022 are as follows:

Property		**Other**		**Total**
Geological	$	6,000	$	6,000
	$	6,000	$	6,000

Property investigation costs for the nine months ended September 30, 2021 are as follows:

Property		**Other**		**Total**
Geological	$	13,500	$	13,500
	$	13,500	$	13,500

10. NON-CONTROLLING INTEREST

As at September 30, 2022, the equity attributable to the 35% non-controlling interest in TNM is $(191,039) (December 31, 2021 - $(189,193)).

The following table presents the changes in equity attributable to the 35% non-controlling interest in TNM:

		Total
Balance, December 31, 2020	$	77,882
Share of loss for the year		(267,075)
Balance, December 31, 2021		(189,193)
Share of income for the period		(1,846)
Balance, September 30, 2022	$	(191,039)

(Expressed in Canadian Dollars)

10. NON-CONTROLLING INTEREST (cont'd…)

As at September 30, 2022 and December 31, 2021 and for the nine months ended September 30, 2022 and 2021, summarized financial information about TNM is as follows:

		September 30, 2022		**December 31, 2021**
Current assets	$	1,846	$	1,826
Current liabilities		(212,500)		(210,930)
Non-current liabilities		(335,170)		(331,446)
Income (loss) for the nine months ended September 30, 2022 and 2021	$	(5,273)	$	7,779

The income (loss) allocated to non-controlling interest based on an interest of 35% (2021 - 35%) for the nine months ended September 30, 2022 was $(1,846) (2021 - $2,723).

11. RELATED PARTY TRANSACTIONS

The Company defines its directors and officers as its key management personnel. The compensation costs for key management personnel are as follows:

		For the nine months ended September 30, 2022		**For the nine months ended September 30, 2021**
Consulting fees	$	13,500	$	13,500
Management fees		143,663		140,960
Professional fees		65,250		65,250
Property investigation costs		6,000		13,500
	$	228,413	$	233,210

As at September 30, 2022, included in accounts payable and accrued liabilities are amounts owing to directors and officers of $574,062 (December 31, 2021 - $329,753).

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

For the nine months ended September 30, 2022, there were no significant non-cash transactions.

For the nine months ended September 30, 2021, the Company's significant non-cash transactions consisted of:

1. allocation of cancelled options from reserves to deficit of $851,119; and
2. finders' warrants issued included in share issue costs of $16,266.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, receivables, reclamation deposit, accounts payable and accrued liabilities, and deposit. The fair value of these financial instruments approximates their carrying values.

Financial risk factors

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and price risk.

Credit risk

The Company is exposed to industry credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company's primary receivable consists of goods and service tax receivable due from the Federal Government of Canada. Management believes that credit risk related to these amounts is nominal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital and financing to continue its operations and discharge its commitments as they become due. The Company is subject to liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes:

(a) Interest rate risk - this risk relates to the change in the borrowing rates of the Company. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 10% change in interest rates would result in a nominal difference in interest income for the nine months ended September 30, 2022.

(b) Foreign currency risk - this risk relates to any changes in foreign currencies in which the Company transacts. The effect of a 10% change in foreign exchange rates would be approximately $44,000 for the nine months ended September 30, 2022.

(c) Price risk - this risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices in relation to its exploration and evaluation assets.

(Expressed in Canadian Dollars)

14. CAPITAL MANAGEMENT

The Company considers its components within shareholders' equity (deficiency) as capital. The Company's objective when managing capital is to fund its operations and corporate overhead costs, meet obligations as they come due, and to maintain a flexible capital structure, which optimizes the cost of capital at an acceptable risk. The Company has no earnings and therefore it must finance its activities and corporate overhead costs by the sale of common shares or loans.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, or acquire or dispose of assets. In order to maximize ongoing development efforts, the Company does not pay out dividends. Given its objectives, the Company determines the amount of capital to be raised and retained based on the scope of operating activities and potential acquisitions management's assessment of the expected availability of acceptably priced capital in future periods.

There were no changes in the Company's approach to capital management for the nine months ended September 30, 2022. The Company is not subject to externally imposed capital requirements.

15. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment being the acquisition and exploration of exploration and evaluation assets located in Indonesia and Canada. Geographical information is as follows:

September 30, 2022	Indonesia	Canada	Total
Equipment	$ -	$ -	$ -
Reclamation deposit	169,415	-	169,415
Exploration and evaluation assets	-	-	-
Total	$ 169,415	$ -	$ 169,415

December 31, 2021	Indonesia	Canada	Total
Equipment	$ 8,082	$ -	$ 8,082
Reclamation deposit	169,415	-	169,415
Exploration and evaluation assets	-	-	-
Total	$ 177,497	$ -	$ 177,497