STANS ENERGY CORP.

Condensed Interim Consolidated Financial Statements

For three and nine months ended September 30, 2022 and 2021
(Unaudited)

(Expressed in Canadian Dollars)

Stans Energy Corp.

(the “Company”)

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 the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company’s management. The Company’s independent auditor has not performed a review of these financial statements.

DATED this 29th day of November 2022.

Stans Energy Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
Unaudited

		September 30, 2022	December 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents		**$ 4,411**	$ 63,496
HST receivable		**35,714**	42,544
Prepaid expenses and other assets		**8,435**	8,880
Total current assets		**48,560**	114,920
Right of use assets	Note 6	**2,711**	27,111
Total assets		**51,271**	142,031
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		**$ 1,527,435**	$ 1,252,539
Current portion of lease obligations	Note 6	**3,236**	31,799
Due to related parties	Note 14	**1,212,127**	1,014,477
Total liabilities		**2,742,798**	2,298,815
Equity			
Common shareholders' deficiency:			
Share capital	Note 11a	**44,113,163**	44,057,163
Warrants	Note 11b	**206,996**	206,996
Contributed surplus		**18,260,895**	18,061,895
Accumulated other comprehensive income		**263,219**	322,791
Deficit		**(65,535,800)**	(64,805,629)
Total common shareholders' deficiency		**(2,691,527)**	(2,156,784)
Total liabilities and shareholders' deficiency		**$ 51,271**	$ 142,031

Going concern (Note 1)
Segmented information (Note 7)

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

Approved by the Board of Directors on November 29, 2022.

"Gordon Baker", DIRECTOR

"Albert Grenke", DIRECTOR

"Douglas Underhill", DIRECTOR

Stans Energy Corp.

Condensed Interim Consolidated Statements of Income or Loss and Comprehensive Income or Loss
For the three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian dollars)
Unaudited

		Three months ended		**Nine months ended**	
	Note	**Sep 30, 2022**	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Expenses					
General and Administrative					
Office and administration	***15***	**(40,818)**	(42,813)	**(148,200)**	(138,101)
Consulting fees		**(68,129)**	(67,367)	**(203,238)**	(201,680)
Professional fees		**(21,475)**	(38,415)	**(89,298)**	(125,699)
Stock-based compensation	***11c***	**-**	-	**(199,000)**	(3,929)
Amortization of right of use assets		**(8,133)**	(8,133)	**(24,400)**	(24,400)
General and administrative expenses		**(138,555)**	(156,728)	**(664,136)**	(493,809)
Gain on disposal of previously impaired assets		**4,165**	5,228	**4,165**	19,072
Other income	***10***	**-**	-	**-**	50,757
Interest on lease obligations		**(244)**	(1,160)	**(1,446)**	(4,112)
Unrealized foreign exchange loss		**(57,289)**	(16,187)	**(55,089)**	(1,912)
Interest expense		**(5,251)**	(2,405)	**(13,665)**	(5,960)
Loss for the period		**(197,174)**	(171,252)	**(730,171)**	(435,964)
Other comprehensive income/(loss)					
Foreign currency translation of foreign operations		**(43,543)**	101,769	**(59,572)**	114,954
Comprehensive loss for the period		**(197,174)**	(69,483)	**(789,743)**	(321,010)
Basic and diluted loss per share	***16***	**$(0.00)**	$(0.00)	**$ (0.00)**	$ (0.00)
Weighted average number of common shares					
Basic and diluted		**189,631,663**	187,308,586	**189,398,997**	187,308,586

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

Stans Energy Corp.
Condensed Interim Consolidated Statements of Changes in Deficiency
For the nine months ended September 30, 2022 and 2021
(Expressed in Canadian dollars)
Unaudited

		Sep 30, 2022	Sep 30, 2021
Share capital			
Balance beginning of period		**$ 44,057,163**	$ 43,987,163
Issued for debt settlement	*Note 11a*	**56,000**	-
Balance at the end of the period		**44,113,163**	43,987,163
Warrants			
Balance beginning of period		**206,996**	355,443
Balance at the end of the period		**206,996**	355,443
Contributed surplus			
Balance beginning of period		**18,061,895**	17,909,519
Stock-based compensation	*Note 11c*	**199,000**	3,929
Balance at the end of the period		**18,260,895**	17,913,448
Accumulated other comprehensive income			
Balance beginning of period		**322,791**	320,359
Foreign currency translation adjustment		**(59,572)**	114,954
Balance at the end of the period		**263,219**	435,313
Deficit			
Balance beginning of period		**(64,805,629)**	(64,276,440)
Net loss		**(730,171)**	(435,964)
Balance at the end of the period		**(65,535,800)**	(64,712,404)
Total common shareholders' deficiency		**(2,691,527)**	(2,021,037)

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

Stans Energy Corp.

Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended September 30, 2022 and 2021
(Expressed in Canadian dollars)
Unaudited

	September 30, 2022	September 30, 2021
Operating activities		
Net loss for the period	**$ (730,171)**	$ (435,964)
Items not affecting cash:		
Stock-based compensation	**199,000**	3,929
Amortization of right of use assets (Note 6)	**24,400**	24,400
Interest on lease obligations (Note 6)	**1,446**	4,112
Unrealized foreign exchange loss	**55,089**	1,912
Interest expense	**13,665**	5,960
Gain on disposal of impaired assets	**(4,165)**	(19,072)
	(440,736)	(414,723)
Net change in non-cash working capital:		
Decrease in HST receivable	**6,830**	10,694
Decrease in prepaid expenses and other assets	**445**	3,085
Increase in accounts payable and accrued liabilities	**165,380**	165,590
Increase in due to related parties	**197,650**	218,698
Net cash from/(used) in operating activities	**(70,431)**	(16,656)
Financing activities		
Loan from related parties (Note 14)	**63,500**	41,200
Repayment of lease obligations	**(30,009)**	(29,367)
Net cash (used)/from financing activities	**33,491**	11,833
Effect of exchange rate changes on cash	**(22,145)**	(1,814)
Change in cash and cash equivalents	**(59,085)**	(6,637)
Cash and cash equivalents, beginning of period	**63,496**	14,284
Cash and cash equivalents, end of period	**$ 4,411**	$ 7,647

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Stans Energy Corp. (the "Company" or "Stans") was incorporated on September 26, 2005 under the laws of the Province of Ontario. Stans Energy Corp. is a resource development company focused on advancing rare and specialty metals properties and processing technologies. Stans' common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol HRE and on the OTCQB market under the symbol HREEF. The head office, principal address and records office of the Company are located at 1 Yonge St., Suite 1011, Toronto, ON, M5E 1E5.

These unaudited condensed interim consolidated financial statements ("Financial Statements") have been prepared on a going concern basis which assumes the Company will continue its exploration and development activities for the foreseeable future and will be able to discharge its liabilities in the normal course of business as they become due. As at September 30, 2022, the Company had an accumulated deficit of $65,535,800 (September 30, 2021 - $64,712,404), a working capital deficiency of $2,694,238 (2021 - $2,053,046), after providing for $1,212,127 (2021 - $966,901) due to related parties and cash of $4,411 (2021 - $7,647). The Company incurred a loss of $730,171 for the nine months ended September 30, 2022, compared to $435,964 in the prior year.

The Company has no sources of revenue and has experienced losses and negative cash flows from operations since the 2011 fiscal year. The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing for new projects and successful proceeds from legal disputes with Kyrgyz government (Note 10). There can be no assurance that the Company will be successful in this regard, and therefore, there is doubt regarding the Company's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These Financial Statements do not reflect adjustments that would be necessary if the "going concern" assumption is not appropriate. If the "going concern" assumption is not appropriate, adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

The recoverability of expenditures on its resource properties is dependent upon the existence of resources that are economically recoverable, the ability of the Company to obtain necessary financing to complete the exploration and the development of the properties, and upon future profitable production or proceeds from disposition thereof.

On November 29, 2022, the Board of Directors approved the Financial Statements for the three and nine months ended September 30, 2022.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE WITH IAS 34

These Financial Statements form part of the period covered by the Company's International Financial Reporting Standards ("IFRS") annual consolidated financial statements. These Financial Statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting* and on the basis of IFRS standards and interpretations expected to be effective as at the Company's IFRS annual reporting date, December 31, 2022.

These Financial Statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2021 prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect as of September 30, 2022.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. Operating results for the nine months ended September 30, 2022 may not be indicative of the results that may be expected for the year ending December 31, 2022. Certain comparative figures included in the statement of cash flows have been reclassified to comply with the basis of presentation.

(Expressed in Canadian dollars unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

These Financial Statements include the accounts of Stans and its subsidiaries. Subsidiaries are entities controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the financial statements from the date control is obtained until the date control ceases. Where the Company's interest in a subsidiary is less than 100%, the Company recognizes non-controlling interests. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated on consolidation. Stans and all of its subsidiaries have a reporting date of December 31.

The following companies have been consolidated within these Financial Statements:

Company Subsidiaries	Property location	% of ownership and voting rights	Principal activity	Functional currency
Stans Energy Corp.	Canada	n/a	Corporate and holding	CAD
Kutisay Mining LLC	Kyrgyz Republic	100%	Exploration	USD
Kashka REE Plant Ltd.	Kyrgyz Republic	100%	Extraction	USD
SevAmRus CJSC	Russian Federation	100%	Research	RUB

4. ACCOUNTING CHANGES AND RECENT ACCOUNTING PRONOUNCEMENTS

New Standards and Interpretations issued and adopted

No new standards were adopted in the current year.

Accounting pronouncements issued but not yet adopted

At the date of approval of these Financial Statements for the nine months ended September 30, 2022, there are no issued but unadopted standards which would have a material impact on the Company.

At the date of approval of these Financial Statements for the nine months ended September 30, 2022, the following standards have been issued but not yet adopted. IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted. The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments must be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Earlier application is permitted. The Company is in the process of assessing the impact the amendments may have on future financial statements and plans to adopt the new standard retrospectively on the required effective date. The amendments are not expected to have an impact on the Company's consolidated financial statements.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. The areas involving significant judgment and estimates have been set out in Note 5 of the Company's annual audited consolidated financial statements for the year ended December 31, 2021. Certain comparative figures included in the statement of cash flows have been reclassified to comply with the basis of presentation.

(Expressed in Canadian dollars unless otherwise stated)

6. LEASES

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	Office space
Right of use assets	
As at January 1, 2021	**59,644**
Amortization expense	32,533
As at December 31, 2021	**27,111**
Amortization expense	24,400
As at September 30, 2022	**2,711**

The Company leases office space. The remaining lease term is 0.1 years (2021: 1.1 years)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2022	2021
As at January 1	**31,799**	**-65,899**
Interest on lease obligations	1,446	4,112
Lease payments	(30,009)	(29,367)
As at September 30	**3,236**	**40,644**
Current	3,236	37,409
Non-current	-	3,235

The following are the amounts recognized in profit or loss:

	Sep 30, 2022	Sep 30, 2021
Amortization of right-of-use assets	24,400	24,400
Interest on lease obligations	1,446	4,112
Total amount recognized in profit or loss	**25,846**	**28,512**

(Expressed in Canadian dollars unless otherwise stated)

Maturity analysis

	Sep 30, 2022	**Sep 30, 2021**
Year 1	3,263	39,798
Year 2	-	3,262
	3,263	43,060
Less: unearned interest	(27)	(2,416)
	3,236	**40,644**

7. SEGMENTED INFORMATION

As at September 30, 2022 and December 31, 2021 the Company's assets were located in the following countries:

	September 30, 2022	December 31, 2021
Assets		
Canada	**$ 46,528**	$ 85,548
Kyrgyz Republic	**4,743**	56,483
Total	**$ 51,271**	$ 142,031
Net income/(loss)		
Canada	**$(588,059)**	$(436,042)
Kyrgyz Republic	**(142,112)**	(93,147)
Total	**$(730,171)**	$(529,189)

8. LEGAL PROCEEDINGS AND IMPAIRMENT

In June 2012, a committee of the Kyrgyz Parliament demanded that Stans' Licence Agreement for Kutessay II be cancelled. During the year ended December 31, 2013, the Kyrgyz State Prosecutor's Office initiated legal proceedings against the Company to revoke the mineral property licenses awarded to Stans by a government agency through an auction process held in December 2009.

In March 2014, the Inter District court of Bishkek ruled in favour of the Kyrgyz State Prosecutor's Office. Stans appealed this decision in various courts in the Kyrgyz Republic and in 2015 the Kyrgyz Supreme Court dismissed Stans' appeal. Consequently, Stans has no right for further appeal in the Kyrgyz Republic.

In October 2013, Stans commenced arbitration against the Kyrgyz Republic in the Arbitration Court at the Moscow Chamber of Commerce and Industry ('the MCCI Tribunal') in connection with the legal proceedings by the Kyrgyz Republic against the Company. In June 2014, the MCCI Tribunal awarded Stans US$118 million as a recovery of damages from the Kyrgyz Republic. This award was subsequently challenged by the Kyrgyz Republic in the courts of the Russian Federation, and in January 2016, the Supreme Court of the Russian Federation in its final decision upheld the May 2015 ruling of a lower court to set aside the MCCI Tribunal award.

In May 2015 Stans commenced an arbitration against the Kyrgyz Republic under the 1976 rules of the United Nations Commission on International Trade Law ('the UNCITRAL Rules') claiming damages arising from the Kyrgyz Republic's wrongful conduct toward the Company's investments in Kyrgyzstan that culminated in the termination of the mining licenses for Kutessay II and Kalesay. Stans and the Kyrgyz

Republic subsequently agreed that this arbitration ('the UNCITRAL Arbitration') would be administered by the secretariat of the Permanent Court of Arbitration in Hague with a judicial seat in London, England. After a Tribunal was appointed in the UNCITRAL Arbitration, Stans filed a statement of claim on January 29, 2016 claiming US $219 million in damages and interest from the Kyrgyz Republic

Due to the above legal proceeding which resulted in Stans being unable to explore and develop its mineral properties and identify a feasible alternate source of rare earth elements that could be processed at the Kashka Rare Earth Processing Facility, the Company during the year ended December 31, 2013 recorded an impairment and wrote off its mineral interests and its Plant in the Kyrgyz Republic.

On August 21, 2019 the Company has received a copy of the decision from the arbitration Tribunal in ongoing dispute with the Kyrgyz Republic. The Tribunal determined that Stans prevailed on jurisdiction and on the merits of our claim, awarding Stans a sum of approximately US $24 Million inclusive of damages, interest, and costs in their legal dispute with the government of the Kyrgyz Republic in relation to its mineral property's licenses (See Note 1).

9. LOAN

In June 2015, the Company entered into a Litigation Financing Agreement ('the Agreement') with a subsidiary of the Calunius Litigation Risk Fund 2 LP ("the Financer").

The advances received under the Agreement have been accounted for as a non-monetary liability within the Financial Statements. In connection with the terms of the advances the Company does not have a present obligation to repay the amounts until such time as the litigation has been settled or an event of default has occurred. Any non-reciprocal benefits received by the Company will be recognized by the Company when the terms of the Agreement are satisfied. As the amounts represent income received in advance, the Company is accounting for the advances in a manner similar to deferred revenue whereby the amounts recognized on the statement of financial position are converted to the functional currency of the Company on the date of receipt of the advance and are not re-measured at the period end exchange rates.

Under the terms of the Agreement, the Financer has agreed to assist in the financing of the Company's legal costs and to provide financing toward continuing corporate overhead costs, in relation to the international arbitration proceedings against the Kyrgyz Republic. As at December 31, 2020 and December 31, 2019 the amount of $9,890,093 was financed under the Agreement.

The Financer's fee under the Agreement becomes payable upon a final settlement of the arbitration claim and the value of the Financer's fee is dependent upon a number of variables, including the amounts advanced under the Agreement and the length of time taken to reach a settlement. The Agreement also provides that the amount of the Financer's fee, which includes amounts advanced, shall not exceed the amount of the aggregate proceeds of the arbitration claim. To the extent that the Company is not successful in the arbitration claim, the Company will not have to repay any amounts which were provided by the Financer.

On March 23, 2018, the Company entered into a new litigation finance agreement ("2018 Agreement") with new funders: Gillham LLC and Lucille Investments LLC ("Funders"), to obtain additional incremental funding of Stans' legal costs, including related corporate overhead costs and to continue with the international arbitration proceedings against the Kyrgyz Republic on a non-recourse basis.

Under the terms of the 2018 Agreement, the Company has given certain warranties and non-financial covenants to the funder. The funding is secured by all real and personal property of the Company as collateral. In consideration for the provision of arbitration financing, Stans has agreed to pay to the funder a portion of any final settlement of the arbitration claim against the Defendant (the "Funder's Fee"). The Funder's Fee shall only become payable upon a final settlement of the arbitration claim and the value of the Funder's Fee is dependent upon a number of variables including the value of any settlement and the length of time taken to reach a settlement. The agreement also provides that the amount of the Funder's Fee, which includes amounts advanced, shall not exceed the amount of the aggregate proceeds of the arbitration claim under any circumstances. Entitlement to returns on amounts advanced is on a priority basis that is pari passu with the rights of the pre-existing source of litigation financing to receive payment and/or distribution.

(Expressed in Canadian dollars unless otherwise stated)

On March 19, 2019 the Company signed an addendum to the 2018 Agreement with the Funders for incremental financing for operating and legal proceedings.

As at December 31, 2020 and December 31, 2019 the amount of $5,275,376 was financed under the new Agreement.

Refer to Note 10 for a Cooperation agreement, signed on April 2, 2020, with Funders to secure financing for the Award recognition and enforcement proceedings.

10. OTHER INCOME

Other income comprised of the following:

	Sep 30, 2022	Sep 30, 2021
Monthly payments by Finance Providers	-	50,757
Total amount recognized in profit or loss	**-**	**50,757**

On April 2, 2020, the Company signed a Cooperation agreement with Gillham LLC and Lucille Investments LLC and Calunius Litigation Risk Fund 2 LP (“Finance Providers”) to secure financing for the Award recognition and enforcement proceedings (“2020 Agreement”). This Agreement is an extension of the existing Litigation funding agreement of March 2018 (Note 9), and its main terms provide for the following:

- Stans assigns all its rights to title to and interest in the Award and the Costs Order (by the High Court of Justice of England) to the Finance Providers.
- Parties to the Cooperation agreement will cooperate in all matters pertaining to recognition and enforcement proceedings relating to the Award and the Costs Order.
- The Finance Providers bear full responsibility for all collection activities with respect to the Award and the Costs Order. The assignment of all rights to title to and interest in the Award and the Costs Order (by the High Court of Justice of England) to the Finance Providers effectively eliminated Company’s liability to the Finance Providers.

Finance Providers agreed to pay the Company US$20,000 per month starting from March 2020 until February 2021. If the Finance Providers collect proceeds of the Award and the Cost Order, then Finance Providers shall pay the Company a success fee in an amount equal to US$500,000 less the payments made to the Company. As at September 30, 2022, the amount of $nil was financed under the 2020 Agreement (September 30, 2021 - $318,898 (US$240,000)).

The Company recognized a benefit of $ 15,165,469 from this settlement, by extinguishing the loan liability in the income statement for the year ended December 31, 2020 (Note 9).

11. SHARE CAPITAL

(a) Common shares

The Company is authorized to issue an unlimited number of no par value common shares. The following table provides the details of changes in the number of issued common shares.

(Expressed in Canadian dollars unless otherwise stated)

	Number #	***Amount*** $
Balance December 31, 2020	187,308,586	43,987,163
Shares issued for debt settlement (i)	1,400,000	70,000
Balance December 31, 2021	188,708,586	44,057,163
Shares issued for debt settlement (ii)	1,120,000	56,000
Balance September 30, 2022	189,828,586	44,113,163

(i) On December 6, 2021, the Company issued 1,400,000 shares at a price of $0.05 per common share for debt settlement agreement with the Company's Chief Operating Officer, in the amount of $70,000.

(ii) On February 17, 2022, the Company issued 1,120,000 shares at a price of $0.05 per common share to settle a partial debt owed from compensation arrears with the former Company's Chief Financial Officer in the total amount of $56,000.

(b) Warrants

On certain issuances of common shares, the Company grants warrants entitling the holder to acquire additional common shares of the Company, and the Company also grants warrants as consideration for services associated with the placement of such common share issues.

The following table provides the details of changes in the number of outstanding common share purchase warrants:

	Number #	***Value*** $
Balance, December 31, 2020	14,590,000	355,443
Expired, not exercised	(6,090,000)	(148,447)
Balance, December 31, 2021	8,500,000	206,996
	-	-
Balance, September 30, 2022	8,500,000	206,996

Number of warrants	Remaining contractual life	Exercise price per warrant	Expiry date
2,400,000	0.20 years	$0.06	December 11, 2022
3,300,000	0.39 years	$0.06	February 22, 2023
2,800,000	1.76 years	$0.06	July 3, 2024
8,500,000			

(c) Common share purchase options

The Company has a stock option plan for the benefit of directors, officers, key employees, and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares. As at September 30, 2022, 18,200,000 common shares were reserved for the exercise of stock options granted under the Company's stock option plan (the "Plan").

The following table provides the details of changes in the number of issued common share purchase options during the periods:

(Expressed in Canadian dollars unless otherwise stated)

	Options #	**Weighted-average exercise price** $
Outstanding at December 31, 2020 and December 31, 2021	15,300,000	0.06
Expired, unexercised	(7,100,000)	0.06
Granted	10,000,000	0.05
Outstanding at September 30, 2022	18,200,000	0.06
Options exercisable at September 30, 2022	18,200,000	0.05

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
5,900,000	5,900,000	1.48 years	$0.05	March 22, 2024
2,300,000	2,300,000	1.79 years	$0.05	July 15, 2024
10,000,000	10,000,000	4.43 years	$0.05	March 4, 2027
18,200,000	18,200,000			

The value of the options issued on March 3, 2022 was calculated as $0.0199 per share. The fair value was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 2.26%, expected dividend yield of nil, expected volatility of 417.7 and expected life term of 60 months. The options vested immediately on the date of grant.

12. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued common shares, contributed surplus, share purchase warrants, accumulated other comprehensive income and deficit and loan financing in the definition of capital. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

There were no other changes to the Company's approach to capital management during the nine months ended September 30, 2022.

13. FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk relates to cash and cash equivalents and HST receivable and arises from the possibility that any counterparty to an instrument fails to perform. The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors. As at September 30, 2022, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, and HST receivable.

The Company has no significant concentration of credit risk arising from operations. The Company's cash and short-term investments are either on deposit with one of highly rated banking groups in Canada or invested in guaranteed investment certificates issued by one of highly rated Canadian banking groups. HST receivables consist of sales tax receivable from government authorities in Canada.

Liquidity risk

The Company's exposure to liquidity risk is dependent on its ability to raise funds to meet purchase commitments and to sustain operations. The Company controls its liquidity risk by managing working capital and cash flows by litigation or alternative sources of financing. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2022, the Company had a cash balance of $3,411 (2021 - $6,647) and short term investments of $1,000 (2021 - $1,000) to settle current liabilities of $2,742,798 (2021 - $2,103,607). All of the Company's financial liabilities with the exception of the litigation funding received, have contractual maturities of less than 12 months and are subject to normal trade terms. Refer to Note 1 for the liquidity risk related to going concern.

Pandemic COVID-19 risk

On March 11, 2020 the World Health Organization declared the COVID -19 infectious virus a global pandemic, with resulting travel bans, physical distancing, closing of social, cultural and educational facilities and non-essential businesses. Global financial equity markets have declined considerably and remain volatile. The possible effect on the Company could include difficulty in accessing exploration sites and hiring personnel for exploration programs, as well as in raising additional equity financing. The global shutdown and isolation of the people is showing progress in the decline of the rate of infection, but the timing to return to normal and the impact on the Company's operations is difficult to project.

Market risk

a) Interest Rate Risk

The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of the banks. The Company does not have any interest-bearing debt.

b) Foreign Currency Risk

In the normal course of operations, the Company is exposed to currency risk due to business transactions in foreign countries. Transactions related to the Company's exploration and acquisition activities are mainly denominated in United States dollars ("USD") and some in Kyrgystani SOM and Russian Rubles. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rate. The Company has not entered into any derivative contracts to manage this risk. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars ("CAD") at the period-end exchange rates. As at September 30, 2022 and December 31, 2021, the CAD equivalent of the Company's foreign financial instruments, primarily denominated in USD, is as follows:

	Canadian Dollar September 30, 2022	Canadian Dollar December 31, 2021
Cash	**$ 3,258**	$ 54,604
Other receivables	**1,457**	1,902
	4,715	56,506
Accounts payable and accrued liabilities	**(1,393,013)**	(1,124,594)
Net liabilities exposure	**$ (1,388,298)**	$ (1,068,088)

Based on the above net exposures at September 30, 2022, a 10% depreciation or appreciation of the above currencies against the CAD dollar would result in an increase or decrease, respectively, in net loss by $126,139 (December 31, 2021 - $97,058).

14. RELATED PARTY TRANSACTIONS

Transactions with related parties were in the normal course of operations and were measured at the same value as if the transactions had occurred with non-related parties. The amount of consideration established and agreed to by the related party.

For the three and nine months ended September 30, 2022 and 2021, the Company incurred related party expenses with key management personnel: President and Interim Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, and independent directors is as follows:

(Expressed in Canadian dollars unless otherwise stated)

	Three months ended		**Nine months ended**	
	Sep 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Key management personnel compensation	**$ 46,500**	$ 46,500	**$139,500**	$185,333
Stock-based compensation	**-**	-	**149,250**	3,588
Director's fees	**3,000**	3,000	**9,000**	12,000
	$ 49,500	$ 49,500	**$297,750**	$200,921

As at September 30, 2022 the Company held cash loan from directors of the Company in the amount of $211,700 with accrued interest $29,830 based on borrowing rate 10% (2021 - $103,800 and $12,727).

The following table provides the details of amounts due to these related parties as of September 30:

	Three months ended		**Nine months ended**	
	Sep 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Key management personnel compensation	**$ 59,400**	$ 77,012	**$898,597**	$793,374
Directors' fees to independent directors	**3,000**	3,000	**72,000**	57,000
Loan from related parties	**15,000**	14,000	**211,700**	103,800
Interest charged	**5,251**	2,405	**29,830**	12,727
	$ 82,651	$ 96,417	**$1,212,127**	$966,901

As disclosed in Note 11(a), on February 17, 2022, the Company issued 1,120,000 shares at a price of $0.05 per common share to settle a partial debt owed from compensation arrears with the former Company's Chief Financial Officer in the total amount of $56,000.

On March 7, 2022, the Company issued of 7,500,000 stock options to directors and management at $0.05 per share for a period of five years from issuance.

15. OFFICE AND ADMINISTRATION EXPENSES

	Three months ended		**Nine months ended**	
	Sep 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Salaries, benefits and director's fees	**$ 27,490**	$ 30,966	**$ 85,421**	$ 95,331
Travel expenses	**231**	4,527	**4,162**	9,202
Other office and administration expenses	**13,097**	7,320	**58,617**	33,568
	$ 40,818	$ 42,813	**$ 148,200**	$ 138,101

16. EARNINGS PER SHARE

Earnings per share have been calculated using the weighted average number of common shares and common share equivalents issued and outstanding during the period. Stock options are reflected in diluted earnings per share by application of the treasury method.

The following table details the weighted average number of outstanding common shares for the purpose of computing basic and diluted earnings per common share for the following periods:

(Expressed in Canadian dollars unless otherwise stated)

	Three months ended		Nine months ended	
	Sep 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Net loss attributable to common shareholders	**$(197,174)**	$(171,252)	**$(730,171)**	$(435,964)
Basic and diluted weighted average shares outstanding	**189,631,663**	187,308,586	**189,398,997**	187,308,586
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)