GOLDSHORE RESOURCES INC.

Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2022 and 2021

In Canadian Dollars

GOLDSHORE RESOURCES INC.
Condensed Consolidated Interim Statements of Financial Position
As at,
(in Canadian Dollars)

	September 30, 2022 (unaudited)	March 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents (Note 4)	$ 5,294,392	$ 12,105,759
Amounts receivable (Note 5)	412,026	837,852
Prepaid expenses and deposits	247,824	472,728
	5,954,242	**13,416,339**
Exploration and evaluation assets (Note 7)	76,379,140	61,270,416
Right-of-use assets and equipment (Note 8)	380,588	352,722
Long-term deposits	155,804	161,670
TOTAL ASSETS	**$ 82,869,774**	**$ 75,201,147**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 9 and 13)	$ 1,535,010	$ 2,469,585
Current portion of lease liability (Note 10)	102,035	102,431
Current portion of flow-through premium liability (Note 11)	-	1,002,200
	1,637,045	**3,574,216**
Non-current portion of lease liability (Note 10)	266,735	230,617
Non-current portion of flow-through premium liability (Note 11)	807,950	-
Deferred income tax liability	9,899,000	6,826,000
TOTAL LIABILITIES	**12,610,730**	**10,630,833**
SHAREHOLDERS' EQUITY		
Share capital (Note 12)	67,551,228	54,937,379
Obligation to issue shares (Note 7)	15,000,000	20,000,000
Reserve (Note 12)	6,043,978	3,858,977
Accumulated deficit	(18,336,162)	(14,226,042)
TOTAL SHAREHOLDERS' EQUITY	**70,259,044**	**64,570,314**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 82,869,774**	**$ 75,201,147**

Nature and continuance of operations (Note 1)
Subsequent event (Note 17)

These financial statements were authorized for issue by the Board of Directors on November 24, 2022. They are signed on behalf of the Board of Directors by:

"Brett Richards"
CEO and Director

"Joanna Pearson"
Director

GOLDSHORE RESOURCES INC.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(in Canadian Dollars - unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2022	**2021**	**2022**	**2021**
EXPENSES				
Amortization expense (Note 8)	$ 27,883	$ -	$ 52,591	$ -
Consulting fees (Note 13)	159,500	236,478	305,000	353,348
General and administrative costs (Note 13)	79,089	123,549	136,101	178,060
Professional fees	130,331	34,069	179,241	148,302
Property investigation costs	-	14,065	-	332,426
Regulatory and transfer agent fees	65,405	11,668	103,189	37,623
Shareholder information and investor relations	176,232	268,619	522,910	348,255
Stock-based compensation (Notes 12 and 13)	456,219	839,065	1,231,396	1,075,260
Travel	20,473	13,932	31,119	22,232
	$ (1,115,132)	$ (1,541,445)	$ (2,561,547)	$ (2,495,506)
OTHER ITEMS				
Interest expense (Note 10)	(10,247)	-	(16,224)	(2,522)
Interest and other income	39,739	-	89,016	-
Listing expense (Note 6)	-	-	-	(1,868,988)
Recovery of flow-through premium (Note 11)	754,238	234,169	1,451,635	311,565
LOSS BEFORE INCOME TAXES	$ (331,402)	$ (1,307,276)	$ (1,037,120)	$ (4,055,451)
Deferred income tax expense	(4,351,000)	-	(3,073,000)	-
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ (4,682,402)	$ (1,307,276)	$ (4,110,120)	$ (4,055,451)
Basic and diluted loss per share for the period	$ (0.03)	$ (0.01)	$ (0.03)	$ (0.06)
Weighted average number of common shares outstanding – basic and diluted	142,468,994	101,356,995	138,634,931	66,392,012

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

GOLDSHORE RESOURCES INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(in Canadian Dollars - unaudited)

	Share Capital					
	Number of shares	Amount	Obligation to issue shares	Reserves	Accumulated deficit	Total
Balance, March 31, 2021	**3,677,623**	**$ 3,858,467**	**$ -**	**$ 428,522**	**$ (750,570)**	**$ 3,536,419**
Reverse takeover (Note 6)	30,122,389	2,390,455	-	-	-	2,390,455
Shares issued for private placements (Note 12)	36,410,259	25,000,002	-	-	-	25,000,002
Flow-through premium (Notes 11 and 12)	-	(1,333,334)	-	-	-	(1,333,334)
Share issuance costs (Note 12)	-	(2,424,383)	-	302,456	-	(2,121,927)
Stock-based compensation (Note 12)	-	-	-	1,075,260	-	1,075,260
Shares issued for mineral property (Note 7)	30,085,000	19,555,250	20,000,000	-	-	39,555,250
Loss and comprehensive loss for the period	-	-	-	-	(4,057,973)	(4,057,973)
Balance, September 30, 2021	**100,295,271**	**47,046,457**	**20,000,000**	**1,806,238**	**(4,808,543)**	**64,044,152**
Balance, March 31, 2022	**115,458,038**	**54,937,379**	**20,000,000**	**3,858,977**	**(14,226,042)**	**64,570,314**
Shares issued for private placements (Note 12)	18,485,232	9,768,091	-	731,909	-	10,500,000
Flow-through premium (Notes 11 and 12)	-	(1,257,385)	-	-	-	(1,257,385)
Share issuance costs (Note 12)	-	(977,857)	-	221,696	-	(756,161)
Stock-based compensation (Note 12)	-	-	-	1,231,396	-	1,231,396
Shares issued for mineral property (Note 7)	8,633,333	5,081,000	(5,000,000)	-	-	81,000
Loss and comprehensive loss for the period	-	-	-	-	(4,110,120)	(4,110,120)
Balance, September 30, 2022	**142,576,603**	**$ 67,551,228**	**$ 15,000,000**	**$ 6,043,978**	**$ (18,336,162)**	**$ 70,259,044**

GOLDSHORE RESOURCES INC.
Condensed Consolidated Interim Statements of Cash Flows
(in Canadian Dollars - unaudited)

	Six months ended September 30, 2022	Six months ended September 30, 2021
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Loss for the period	$ (4,110,120)	$ (4,055,451)
Non-cash items:		
Amortization and interest expense	68,815	7,902
Stock-based compensation expense	1,231,396	1,075,260
Listing expense	-	1,868,988
Recovery of flow-through premium	(1,451,635)	(311,565)
Deferred income tax expense	3,073,000	-
Changes in non-cash working capital items:		
Amounts receivable and prepaid expenses	650,730	(647,149)
Accounts payable and accrued liabilities	(679,113)	(160,380)
Cash flows used in operating activities	(1,216,927)	(2,222,395)
INVESTING ACTIVITIES		
Mineral property acquisition and exploration costs	(15,286,729)	(13,721,020)
Long term deposits	5,866	-
Cash acquired on reverse takeover	-	9,745,670
Cash flows used in investing activities	(15,280,863)	(3,975,350)
FINANCING ACTIVITIES		
Proceeds from private placements	10,500,000	-
Share issuance costs	(756,161)	(473,788)
Repayment of lease obligations	(57,416)	(5,739)
Cash flows provided by (used in) financing activities	9,686,423	(479,527)
Decrease in cash and cash equivalents	(6,811,367)	(6,677,272)
Cash and cash equivalents, beginning of period	12,105,759	16,585,701
Cash and cash equivalents, end of period	$ 5,294,392	$ 9,908,429
Supplemental cash flow information:		
Exploration and evaluation asset costs in accounts payable and accrued liabilities	$ 259,005	$ 401,948
Fair value of replacement compensation options	-	302,456
Flow-through premium liability	1,257,385	1,333,334
Fair value of shares issued for exploration and evaluation assets	81,000	19,555,250
Fair value of shares issued for reverse takeover	-	2,390,455
Fair value of warrant component of equity units	731,909	-
Fair value of compensation options	221,696	-
Right of use asset/liability additions	80,457	-
Taxes paid	-	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Goldshore Resources Inc. (formerly "Sierra Madre Developments Inc.") (the "Company") is a gold focused Canadian exploration company. The Company's head office is located at 918 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 and its registered and records office is at 401 – 353 Water Street, Vancouver, British Columbia, V6B 1B8.

On May 31, 2021, Sierra Madre Developments Inc. ("Sierra Madre") acquired all of the outstanding shares of Goldshore Resources Inc. ("Former Goldshore") by way of a three-cornered amalgamation in which a wholly-owned subsidiary of Sierra Madre amalgamated with Former Goldshore, with Former Goldshore surviving as a wholly-owned subsidiary of Sierra Madre under the name Moss Lake Project Inc. ("Moss Lake"). On June 4, 2021, Sierra Madre changed its name to Goldshore Resources Inc. ("Goldshore" or the "Company") and began trading on the TSX-V under the symbol GSHR. Former Goldshore has been identified as the accounting acquirer and, accordingly, the Company is considered to be a continuation of Former Goldshore, and the net assets of Sierra Madre at the date of the reverse acquisition are deemed to have been acquired by Former Goldshore (Note 6). These condensed consolidated interim financial statements include the results of operations of Sierra Madre from May 31, 2021.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. As at September 30, 2022, the Company's current assets exceeded its current liabilities by $4,317,197 and had an accumulated deficit of $18,336,162. Management estimates that the Company has sufficient working capital to continue for the next twelve months. The Company is a mineral exploration company focused on the acquisition and evaluation of precious metal mineral properties in Canada, and currently holds title to one mineral exploration property: the Moss Lake gold project located in Ontario, Canada.

The Company's ability to continue as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. The business of mining and exploration involves a high degree of risk and there can be no assurance that management's plans will be successful. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of IFRS Interpretations Committee ("IFRIC").

Basis of Preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL"), which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary, Moss Lake Project Inc. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Presentation and functional currency

The presentation and functional currency of the Company and its subsidiary is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

<u>Significant accounting judgments</u>

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions about the future. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(in Canadian Dollars - unaudited)

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Impairment of long-lived assets

The carrying value and the recoverability of long-lived assets, including exploration and evaluation assets, are evaluated at each reporting date. Management assesses for indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

Key sources of estimation uncertainty

Valuation of stock-based compensation and compensation options

The Company uses the Black-Scholes option pricing model for the valuation of stock-based compensation and compensation options. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, forfeiture rate, risk-free market interest rate, expected volatility in the price of the underlying stock and expected life of the instruments. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the year ended March 31, 2022 and have been consistently followed in the preparation of these condensed consolidated interim financial statements. Accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

4. CASH AND CASH EQUIVALENTS

At September 30, 2022 and March 31, 2022, the Company's cash and cash equivalents were comprised of the following:

		September 30, 2022		March 31, 2022
Cash held in bank accounts	**$**	**241,018**	$	6,603,649
Cash equivalents		**5,053,374**		5,502,110
Total	**$**	**5,294,392**	$	12,105,759

Cash equivalents are held in cashable guaranteed investment certificates with an interest rate of 2.6%-3.35% and investment savings accounts.

(in Canadian Dollars - unaudited)

5. AMOUNTS RECEIVABLE

The Company's amounts receivable is comprised of the following:

		September 30, 2022		March 31, 2022
GST receivable	**$**	**352,026**	$	778,234
Other receivables (Note 13)		**60,000**		59,618
Total	**$**	**412,026**	$	837,852

6. REVERSE TAKEOVER TRANSACTION

On May 31, 2021, the Company closed the reverse takeover transaction contemplated in the amalgamation agreement dated January 25, 2021, amended and restated on February 16, 2021 (the "Amalgamation") (Note 1). Pursuant to the Amalgamation, all Former Goldshore common shares were exchanged for common shares of the Company on a one-for-one basis and Former Goldshore amalgamated with a subsidiary of Sierra Madre, with the resulting entity to continue as a wholly owned subsidiary of the Company (the "Resulting Issuer").

As a result of the Amalgamation, the shareholders of Former Goldshore acquired control of the Company, thereby constituting a reverse acquisition of the Company. The Amalgamation is considered a purchase of the Company's net assets by the shareholders of Former Goldshore. The Amalgamation will be accounted for in accordance with guidance provided in IFRS 2, Share-based payments, and IFRS 3, Business combinations. As the Company did not qualify as a business according to the definition in IFRS 3, this Amalgamation does not constitute a business combination; rather, it is treated as an issuance of shares by Former Goldshore for the net assets of the Company and the listing of the Former Goldshore's shares.

The purchase price was allocated as follows:

		Amount
Fair value of the Company's shares	$	2,390,455
(3,677,623 post-consolidation common shares at $0.65 per share)		
Fair value of replacement options (Note 12)		302,456
Consideration		2,692,911
Net assets acquired		
Cash and restricted cash		10,320,318
Receivables		22,152
Deferred financing costs		881,876
Accounts payable		(400,423)
Subscriptions received		(10,000,000)
Net assets		823,923
Listing expense	**$**	**1,868,988**

The Amalgamation was measured at the fair value of the shares that Former Goldshore would have had to issue to the shareholders of the Company, being 3,677,623 common shares, to give the shareholders of the Company the same percentage equity interest in the combined entity that results from the Amalgamation had it taken the legal form if Former Goldshore acquired the Company.

Subsequent to the Amalgamation, the Company finalized the values of the assets acquired and the liabilities assumed which resulted in a change to the net assets acquired, whereby cash and restricted cash increased by $574,648, receivables increased by $19,608 and accounts payable increased by $87,185. Upon finalization of the purchase price allocation, these adjustments resulted in the listing expense decreasing by $507,071, from $2,376,059 to $1,868,988. The prior year comparatives have been restated to reflect the finalization of the purchase price allocation during the year ended March 31, 2022.

(in Canadian Dollars - unaudited)

7. EXPLORATION AND EVALUATION ASSETS

	Moss Lake Project	Iris Lake and Vanguard Projects	Total
Property acquisition costs			
Balance, March 31, 2021	$ -	$ -	$ -
Additions	52,055,250	-	52,055,250
Balance, March 31, 2022	$ 52,055,250	$ -	$ 52,055,250
Additions	-	81,000	81,000
Balance, September 30, 2022	$ 52,055,250	$ 81,000	$ 52,136,250
Exploration and evaluation costs			
Balance, March 31, 2021	$ -	$ -	$ -
Camp costs	726,492	-	726,492
Consulting and salaries	3,060,044	-	3,060,044
Database management	204,083	-	204,083
Drilling	3,038,962	-	3,038,962
Environmental	184,208	-	184,208
Geochemistry	1,011,952	-	1,011,952
Other costs	989,425	-	989,425
Balance, March 31, 2022	$ 9,215,166	$ -	$ 9,215,166
Camp costs	505,742	-	505,742
Consulting and salaries	3,000,119	-	3,000,119
Database management	35,419	-	35,419
Drilling	8,748,743	-	8,748,743
Geochemistry	1,999,466	-	1,999,466
Other costs	738,235	-	738,235
Balance, September 30, 2022	$ 24,242,890	$ -	$ 24,242,890
Total, March 31, 2022	**$ 61,270,416**	**$ -**	**$ 61,270,416**
Total, September 30, 2022	**$ 76,298,140**	**$ 81,000**	**$ 76,379,140**

Moss Lake Gold Project

On January 25, 2021, the Company entered into a purchase agreement (the "Moss Lake Agreement") with Moss Lake Gold Mines Ltd. and Wesdome Gold Mines Ltd. ("Wesdome") to acquire a 100% interest in the Moss Lake gold project located in Ontario, Canada (the "Transaction").

In exchange for 100% interest in the project, the Company will:

- Pay $12,500,000 cash to Wesdome upon closing (paid);
- Issue common shares with a fair value equal to the greater of a) $19,500,000 and b) 30% of the issued and outstanding common shares of the Company to Wesdome at closing (issued 30,085,000 common shares);
- Issue $20,000,000 in common shares to Wesdome in the form of milestone payments consisting of:
    - $5,000,000 within 12 months of closing (issued; Note 12);
    - $7,500,000 upon the earlier of (i) the Company completing an updated Preliminary Economic Assessment ("PEA") or pre-feasibility study; and (ii) 30 months from closing; and
    - $7,500,000 upon the earlier of (i) the Company completing a feasibility study, (ii) the date on which the Company makes a development decision on Moss Lake, and (iii) 48 months from closing.
- Grant to Wesdome a 1.00% net smelter royalty ("NSR") on all metal production from Moss Lake. The Company shall have the right to repurchase the NSR for (i) $5,000,000 within 30 months of closing or (ii) $7,500,000 between 30 and 48 months after closing. The NSR buyback shall expire if not exercised within 48 months of closing.
- Grant Wesdome representation on the Company's Board of Directors with two appointees (completed).

The Company paid Wesdome a refundable deposit of $1,000,000 concurrent with executing the Moss Lake Agreement. The deposit was applied to the cash payment due on closing. The future milestone payments totaling $20,000,000 were recorded as an obligation to issue shares on the consolidated statement of financial position as at March 31, 2022. During the six months ended September 30, 2022, the Company issued 8,333,333 common shares to Wesdome with a value of $5,000,000 (Note 12).

The Moss Lake project carries an underlying advanced royalty commitment amounting to $6,250 due quarterly until the project enters production, which was inherited from Wesdome at the time of acquisition, presented as other costs in the table above.

Iris Lake and Vanguard Properties

On July 7, 2022, the Company executed an option agreement with Thunder Gold Corp. (formerly White Metal Resources Corp.) ("Thunder Gold") to earn in to certain mining claims held by Thunder Gold in the Shebandowan greenstone belt known as the Iris Lake and Vanguard properties (the "(the "Iris Lake and Vanguard Projects"). Key terms of the option agreement are as follows:

1. Total cash payments (CAD$) of an aggregate of $110,000 to Thunder Gold over 3 years, to be paid as follows:
    a. $10,000 within five days of July 6, 2022 (the "Effective Date") (paid);
    b. an additional $20,000 on or before the 12-month anniversary of the Effective Date;
    c. an additional $30,000 on or before the 24-month anniversary of the Effective Date; and
    d. an additional $50,000 on or before the 36-month anniversary of the Effective Date.

2. Total share issuance of an aggregate of 1,500,000 common shares of the Company (each, a "Share") (such Shares to be subject to resale restrictions) as follows:
    a. 300,000 Shares within five days of the Effective Date (issued on August 2, 2022 at fair value of $81,000);
    b. an additional 300,000 Shares on or before the 12-month anniversary of the Effective Date;
    c. an additional 400,000 Shares on or before the 24-month anniversary of the Effective date; and
    d. an additional 500,000 Shares on or before the 36-month anniversary of the Effective Date.

3. Total incurred expenditures on the Iris Lake and Vanguard Projects of not less than $1,650,000 over 3 years as follows:
    a. $100,000 on or before the six-month anniversary of the Effective Date;
    b. an additional $200,000 on or before the 12-month anniversary of the Effective Date;
    c. an additional $600,000 on or before the 24-month anniversary of the Effective Date; and
    d. an additional $750,000 on or before the 36-month anniversary of the Effective Date.

4. Other non-material administrative and technical matters guiding the earn in relationship between the Company and Thunder Gold.

(in Canadian Dollars - unaudited)

8. RIGHT-OF-USE ASSETS AND EQUIPMENT

A continuity of the Company's right-of-use assets and equipment is as follows:

Cost		**Right-of-use assets (vehicles)**		**Equipment**		**Total**
Balance, March 31, 2021	$	22,868	$	-	$	22,868
Additions		364,856		33,256		398,112
Balance, March 31, 2022	$	387,724	$	33,256	$	420,980
Additions		80,457		-		80,457
Balance, September 30, 2022	**$**	**468,181**	**$**	**33,256**	**$**	**501,437**
Accumulated amortization						
Balance, March 31, 2021	$	953	$	-	$	953
Additions		61,301		6,004		67,305
Balance, March 31, 2022	$	62,254	$	6,004	$	68,258
Additions		47,048		5,543		52,591
Balance, September 30, 2022	**$**	**109,302**	**$**	**11,547**	**$**	**120,849**
Net book value						
Balance, March 31, 2022	$	325,470	$	27,252	$	352,722
Balance, September 30, 2022	**$**	**358,879**	**$**	**21,709**	**$**	**380,588**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are comprised of the following:

		September 30, 2022		March 31, 2022
Accounts payable	**$**	**424,514**	$	1,924,700
Accrued liabilities		**1,110,496**		544,885
Total	**$**	**1,535,010**	$	2,469,585

10. LEASES

The Company leases vehicles. At acquisition, the leased assets and liabilities were measured at the present value of the lease payments plus the anticipated exercise of renewal options, discounted using the rate implicit in the leases, which was determined to be 8% on a weighted average basis.

The Company's lease liabilities are as follows:

		September 30, 2022		March 31, 2022
Current portion of lease obligations	**$**	**102,035**	$	102,431
Non-current portion of lease obligations		**266,735**		230,617
	$	**368,770**	$	333,048

(in Canadian Dollars - unaudited)

The lease liability interest expense recognized in profit and loss and lease payments recognized in the financing component of statement of cash flows is as follows:

Balance, March 31, 2021	$	22,274
New leases		364,856
Interest expense		20,976
Payments		(75,058)
Balance, March 31, 2022	$	333,048
New leases		80,457
Interest expense		12,681
Payments		(57,416)
Balance, September 30, 2022	**$**	**368,770**

As at September 30, 2022, the Company is committed to minimum lease payments as follows:

		September 30, 2022
Less than one year	$	102,132
One to five years		249,449
More than five years		65,361
Total undiscounted lease liabilities	**$**	**416,941**

During the six months ended September 30, 2022 and the year ended March 31, 2022, the Company did not designate any leases as short-term or as low-value leases under IFRS 16.

11. FLOW-THROUGH PREMIUM LIABILITY

The following is a continuity of the Company's flow-through premium liability:

	Flow-through premium liability
Balance, March 31, 2021	-
Additions (Note 12)	2,058,096
Recovery of flow-through premium	(1,055,896)
Balance, March 31, 2022	1,002,200
Additions (Note 12)	1,257,385
Recovery of flow-through premium	(1,451,635)
Balance, September 30, 2022	**807,950**

During the three and six months ended September 30, 2022, the Company recorded a recovery of the flow-through premium of $754,238 and $1,451,635 (2021 - $234,169 and $311,565), respectively, based on eligible flow-through exploration expenditures incurred.

As at September 30, 2022, the Company has a remaining obligation to spend $4,349,935 on eligible exploration expenditures by December 31, 2023 (March 31, 2022 - $12,080,787).

12. SHARE CAPITAL AND RESERVES

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At September 30, 2022, there were 142,576,603 issued and fully paid common shares (March 31, 2022 – 115,458,038). At September 30, 2022, there were 33,373,735 (2022 – 31,300,501) shares held in escrow, subject to the following escrow release conditions: 15% released on December 4, 2022, 15% released on June 4, 2023, 15% released on December 4, 2023, and 15% released on June 4, 2024. Historic escrow releases included 4,173,400 released on June 4, 2021, 6,260,100 released on December 4, 2021, and 6,260,100 released on June 4, 2022.

Six months ended September 30, 2022:

On April 6, 2022, the Company closed a private placement for aggregate gross proceeds of $10,000,000 by issuing 9,616,095 flow-through units ("Flow-Through Units") at a price of $0.60 for gross proceeds of $5,769,657, 6,460,686 non-flow-through units ("Non-Flow-Through Units") at a price of $0.50 per non-flow-through units for gross proceeds of $3,230,343, and 1,408,451 charity-flow-through units ("Charity Flow-Through Unit") at a price of $0.71 per charity flow-through unit for gross proceeds of $1,000,000 (the "April 2022 Offering"). Each Flow-Through Unit consists of one flow-through common share and one-half of one common share purchase warrant, each Non-Flow-Through Unit consists of one common share and one-half of one common share purchase warrant, and each Charity Flow-Through Unit consists of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.75, until the date which is 24 months following the Closing Date. Using the residual value method, the value of the warrant component of the units issued in the April 2022 Offering was $699,409.

Based on the difference in price between the Charity Flow-Through Unit/Flow-Through Unit and Non-Flow-Through financings, management accounted for the premium paid on the Charity Flow-Through Units and Flow-Through Units on a residual basis as a flow-through premium liability of $1,257,385 (Note 11). In connection with the April 2022 Offering, the Company paid to the agents a cash commission equal to 6% of the gross proceeds of the April 2022 Offering in the amount of $756,161. In addition, the Company issued to the agents 1,003,815 compensation options of the Company exercisable for a period of 24 months at exercise prices of $0.50, $0.71 and $0.60, respectively. The aggregate fair value of the compensation options was determined to be $221,696 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 2.50%, expected life of 2 years, volatility factor of 100% and dividend yield of Nil.

On May 18, 2022, the Company closed a private placement for gross proceeds of $500,000 by issuing 1,000,000 units at a price of $0.50 ("Units"). Each Unit consists of one common share and one-half common share purchase warrant, exercisable at a price of $0.75. Using the residual value method, the value of the warrant component of the Units was $32,500.

On June 6, 2022, the Company issued 8,333,333 common shares to Wesdome at a value of $0.60 per share, for a total value of $5,000,000 (Note 7).

On August 2, 2022, the Company paid $10,000 in cash and issued 300,000 common shares to Thunder Gold at a value of $0.27 per share, for a total value of $81,000 pursuant to an option agreement (Note 7).

Six months ended September 30, 2021:

On February 26, 2021, the Company and Former Goldshore closed brokered private placements by issuing 13,333,335 Flow-Through Subscription Receipts and 23,076,924 Subscription Receipts at a price of $0.75 per Flow-Through Subscription Receipt and $0.65 per Subscription Receipt for total gross proceeds of $25,000,002. The subscriptions received in advance were held in escrow (the "Escrowed Funds"), including $14,359,805 as restricted cash as at March 31, 2021, pending satisfaction of certain conditions ("Escrow Release Conditions"), including the closing of the Amalgamation and receiving conditional approval for the resulting issuer's shares being listed on the TSX-V. On June 1, 2021, the Escrowed Funds were released from escrow concurrent with the completion of the Amalgamation and commencement of trading on the TSX-V (Note 6). The Escrowed Funds were held in escrow by a subscription receipt agent and were released to the Resulting Issuer upon the satisfaction of the Escrow Release Conditions (the "Escrow Release Date"). Based on the difference in price between the flow-through and non-flow-through financings, management accounted for the premium paid on the Flow-Through Subscription Receipts on a residual basis as a flow-through premium liability of $1,333,334 (Note 11).

In connection with the closing of the private placements, the Company incurred cash share issuance costs and commissions totalling $2,121,927, including $1,068,717 which were recorded as deferred financing costs as at March 31, 2021. Additionally, the Company and Former Goldshore issued a total of 2,036,484 non-transferrable compensation options ("Compensation Options") to agents. Upon completion of the reverse take over transaction, each Compensation Option was exchanged for one compensation option of the Resulting Issuer, of which 772,560 and 1,263,924 are exercisable for one Resulting Issuer common share at a price of $0.75 and $0.65, respectively, for 24 months after the Escrow Release Date. The total fair value of the Compensation Options was determined to be $730,978 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.30%, expected life of 2 years, volatility factor of 100% and dividend yield of Nil. Of the total fair value of the compensation options, $428,522 was recorded at March 31, 2021 and was included in deferred financing costs and an additional $302,456 was recorded during the year ended March 31, 2022 (Note 6).

On May 31, 2021, the Company issued 30,122,381 common shares to shareholders of Former Goldshore in connection with the Amalgamation (Note 6) and 30,085,000 common shares to Wesdome with a fair value of $19,555,250 pursuant to the Moss Lake Agreement (Note 7).

(in Canadian Dollars - unaudited)

Stock options

The Company has adopted a 10% rolling Stock Option Plan (the "Plan"). Under the Plan, the Company may grant stock options to directors, officers, employees and consultants of the Company at an exercise of not less than the market value ("Market Value") of the common shares of the Company as of the grant date. Market Value will be the closing trading price of the common shares on the day immediately preceding the grant date, and may be less than this price if it is within the discounts permitted by the applicable regulatory authorities including the TSX Venture Exchange. The expiry date of an option shall be determined by the Compensation Committee of the Company and shall be no later than the tenth anniversary of the grant date of such option. The vesting terms and conditions of the options are determined by the Board of Directors.

On June 4, 2021, the Company granted 7,700,000 stock options to management, directors, advisors, employees and consultants. Each stock option is exercisable into one common share of the Company at a price of $0.65 per common share for five years, with 1/3 vesting one year from the grant date, 1/3 vesting two years from the grant date and the final 1/3 vesting three years from the grant date. The fair value of the stock options was determined to be $5,426,778 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.97%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil.

The following is a continuity of the Company's options outstanding for the six months ended September 30, 2022 and the year ended March 31, 2022:

	Exercise price		Number of options
Opening balance, March 31, 2021	$	-	-
Granted		0.65	8,837,500
Cancelled		0.69	(50,000)
Closing balance, March 31, 2022	$	0.65	8,787,500
Forfeited		0.69	(50,000)
Closing balance, September 30, 2022	**$**	**0.65**	**8,737,500**

As at September 30, 2022, the weighted average remaining life of the options was 3.74 years.

During the three and six months ended September 30, 2022, the Company recognized $456,219 (2021 - $839,065) and $1,231,396 (2021 – $1,075,260), respectively, in stock-based compensation expense. As at September 30, 2022, there were 2,583,333 stock options exercisable.

Warrants

The following is a continuity of the Company's warrants outstanding for the six months ended September 30, 2022 and the year ended March 31, 2022:

	Exercise price		Number of warrants
Opening balance, March 31, 2021 and 2022	$	-	-
Granted		0.75	9,242,616
Closing balance, September 30, 2022	**$**	**0.75**	**9,242,616**

As at September 30, 2022, the weighted average remaining life of the warrants was 1.52 years.

Compensation options

The following is a continuity of the Company's compensation options outstanding for the six months ended September 30, 2022 and the year ended March 31, 2022:

	Exercise price		Number of options
Opening balance, March 31, 2021	$	-	-
Granted		0.68	2,916,839
Closing balance, March 31, 2022	$	0.68	2,916,839
Granted		0.57	1,003,815
Closing balance, September 30, 2022	**$**	**0.65**	**3,920,654**

As at September 30, 2022, the weighted average remaining life of the compensation options outstanding was 0.99 years.

(in Canadian Dollars - unaudited)

13. RELATED PARTIES

The Company's related parties consist of its key management personnel and close family members of its key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and consist of its directors, the Chief Executive Officer and the Chief Financial Officer.

During the three and six months ended September 30, 2022 and 2021, compensation of key management personnel, including directors, was as follows:

	Three Months Ended		Six Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Salaries, management fees and other employee benefits	$ 155,500	$ 52,000	$ 307,000	$ 140,000
Stock-based compensation	299,659	531,852	796,304	682,158
Total	$ 455,159	$ 583,852	$ 1,103,304	$ 822,158

As at September 30, 2022, the Company owed a total of $112,881 to key management personnel in respect of services provided to the Company, (March 31, 2022 - $467,548) and $22,389 in respect of expenses incurred on behalf of the Company (March 31, 2022 - $102,149)

On June 14, 2022, the Company advanced $60,000 to Peter Flindell, VP Exploration, which is included in other receivables. The advance earns simple interest at the Canada Revenue Agency prescribed annual interest rate of 1%, and is repayable within twelve months.

The Company does not have offices or direct personnel in British Columbia, but rather is party to an Administration Services Agreement, whereby it has contracted administrative, corporate and financial reporting services with Sentinel Corporate Services ("Sentinel"), a company controlled by a close family member of the CFO. Sentinel has a continuing service agreement with the Company.

During the three and six months ended September 30, 2022, the Company incurred expenses with Sentinel for administration, corporate and financial reporting services of $38,000 and $66,500, respectively. Sentinel was not a related party during the three and six months ended September 30, 2021. As at September 30, 2022, there was $Nil (March 31, 2022 - $45,150) owing to Sentinel for services and $4,442 owing to Sentinel in respect of expenses incurred on behalf of the Company (March 31, 2022 - $31,535).

All transactions are incurred in the normal course of business and are negotiated on terms between the parties which are believed to represent fair market value for all services rendered. Any amounts due to related parties arising from the above transactions are unsecured, non-interest bearing and are due upon receipt of invoices.

14. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

	September 30, 2022	March 31, 2022
Financial assets:		
Fair value through profit or loss		
Cash and cash equivalents	$ 5,294,392	$ 12,105,759
Amounts receivable	412,026	837,852
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 1,535,010	$ 2,469,585

Amounts receivable and accounts payable and accrued liabilities includes amounts due to and due from related parties (Note 13).

The fair values of the Company's cash and cash equivalents are carried at fair value in accordance with level 1 of the fair value hierarchy. The Company's amounts receivable and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments.

b) Management of financial risks

The Company's risk exposures arising from financial instruments and the impact on the Company's financial statements are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at September 30, 2022, the Company was exposed to credit risk on its cash and cash equivalents and other receivables. The Company's cash and cash equivalents are held with high credit quality financial institutions in Canada and as at September 30, 2022, management considers its exposure to credit risk to be low. The Company's maximum exposure to credit risk is equal to the carrying amount of its cash and cash equivalents and other receivables.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures. At September 30, 2022, the Company had cash and cash equivalents of $5,294,392 and accounts payable and accrued liabilities of $1,535,010 with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at September 30, 2022. The Company assessed its liquidity risk as low as at September 30, 2022.

Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is not exposed to significant currency, interest or other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at September 30, 2022.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies. As at September 30, 2022, the Company was not exposed to foreign currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as at September 30, 2022.

15. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, 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 to sustain future development of the business.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements.

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

16. SEGMENT DISCLOSURES

The Company operates in a single operating segment in the geographic location of Canada, the exploration for and evaluation of mineral property interests. All of the Company's long-term assets are located in Canada.

17. SUBSEQUENT EVENT

On November 8, 2022, the Company's Board of Directors adopted an Omnibus Incentive Plan (the "Plan"), under which the Company may grant its directors, officers, employees and consultants stock options, restricted share units, and deferred share units (together the "Share Based Compensation") of the Company and which reserves up to 10% of its outstanding shares as Share Based Compensation.