GOLDSHORE RESOURCES INC.

Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2022 and 2021

In Canadian Dollars

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

		December 31, 2022 (unaudited)		March 31, 2022
ASSETS				
Current assets				
Cash and cash equivalents (Note 4)	$	3,999,652	$	12,105,759
Amounts receivable (Note 5)		593,760		837,852
Prepaid expenses and deposits		672,512		472,728
		5,265,924		**13,416,339**
Exploration and evaluation assets (Note 7)		82,358,432		61,270,416
Right-of-use assets and equipment (Note 8)		353,717		352,722
Long-term deposits		254,026		161,670
TOTAL ASSETS	**$**	**88,232,099**	**$**	**75,201,147**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Notes 9 and 13)	$	1,485,529	$	2,469,585
Current portion of lease liabilities (Note 10)		91,592		102,431
Current portion of flow-through premium liability (Note 11)		472,905		1,002,200
		2,050,026		**3,574,216**
Non-current portion of lease liabilities (Note 10)		253,152		230,617
Deferred income tax liability		11,146,000		6,826,000
TOTAL LIABILITIES		**13,449,178**		**10,630,833**
SHAREHOLDERS' EQUITY				
Share capital (Note 12)		73,065,046		54,937,379
Obligation to issue shares (Note 7)		15,000,000		20,000,000
Reserve (Note 12)		6,609,645		3,858,977
Accumulated deficit		(19,891,770)		(14,226,042)
TOTAL SHAREHOLDERS' EQUITY		**74,782,921**		**64,570,314**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**88,232,099**	**$**	**75,201,147**

Nature and continuance of operations and going concern (Note 1)

These financial statements were authorized for issue by the Board of Directors on February [28], 2023. 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 December 31, 2022	Three months ended December 31, 2021	Nine months ended December 31, 2022	Nine months ended December 31, 2021
EXPENSES				
Amortization expense (Note 8)	$ 26,871	$ 57,906	$ 79,462	$ 57,906
Consulting fees (Note 13)	185,423	369,049	490,423	722,397
General and administrative costs (Note 13)	92,215	108,032	228,316	286,092
Professional fees	57,323	71,601	236,564	219,903
Property investigation costs	-	10,046	-	342,472
Regulatory and transfer agent fees	7,537	69,553	110,726	107,176
Shareholder information and investor relations	272,199	326,049	795,109	674,304
Stock-based compensation (Notes 12 and 13)	439,291	870,580	1,670,687	1,945,840
Travel	55,105	49,732	86,224	71,964
	$ (1,135,964)	$ (1,932,548)	$ (3,697,511)	$ (4,428,054)
OTHER ITEMS				
Interest expense (Note 10)	(6,913)	-	(23,137)	-
Interest and other income	26,319	-	115,335	-
Listing expense (Note 6)	-	-	-	(1,868,988)
Recovery of flow-through premium (Note 11)	807,950	346,468	2,259,585	658,033
LOSS BEFORE INCOME TAXES	$ (308,608)	$ (1,586,080)	$ (1,345,728)	$ (5,639,009)
Deferred income tax expense	(1,247,000)	-	(4,320,000)	-
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ (1,555,608)	$ (1,586,080)	$ (5,665,728)	$ (5,639,009)
Basic and diluted loss per share for the period	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.07)
Weighted average number of common shares outstanding – basic and diluted	144,686,843	107,365,566	140,751,480	79,771,131

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	Reserve	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)	51,132,847	35,000,002	-	-	-	35,000,002
Flow-through premium (Notes 11 and 12)	-	(2,058,096)	-	-	-	(2,058,096)
Share issuance costs (Note 12)	440,179	(3,207,525)	-	597,425	-	(2,610,100)
Stock-based compensation (Note 12)	-	-	-	1,945,840	-	1,945,840
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	-	-	-	-	(6,146,080)	(6,146,080)
Balance, December 31, 2021	**115,458,038**	**55,538,553**	**20,000,000**	**2,971,787**	**(6,896,650)**	**71,613,690**
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)	43,760,332	16,433,395	-	858,285	-	17,291,680
Flow-through premium (Notes 11 and 12)	-	(1,730,290)	-	-	-	(1,730,290)
Share issuance costs (Note 12)	-	(1,656,438)	-	221,696	-	(1,434,742)
Stock-based compensation (Note 12)	-	-	-	1,670,687	-	1,670,687
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	-	-	-	-	(5,665,728)	(5,665,728)
Balance, December 31, 2022	**167,851,703**	**$ 73,065,046**	**$ 15,000,000**	**$ 6,609,645**	**$ (19,891,770)**	**$ 74,782,921**

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

	Nine months ended December 31, 2022	Nine months ended December 31, 2021
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Loss for the period	$ (5,665,728)	$ (5,639,007)
Non-cash items:		
Amortization and interest expense	97,759	57,906
Stock-based compensation expense	1,670,687	1,945,840
Listing expense	-	1,868,988
Recovery of flow-through premium	(2,259,585)	(658,033)
Deferred income tax expense	4,320,000	-
Changes in non-cash working capital items:		
Amounts receivable and prepaid expenses	44,308	(766,733)
Accounts payable and accrued liabilities	(813,682)	460,814
Cash flows used in operating activities	(2,606,241)	(2,730,227)
INVESTING ACTIVITIES		
Mineral property acquisition and exploration costs	(21,177,390)	(16,683,213)
Long term deposits	(92,356)	(174,721)
Cash acquired on reverse takeover	-	9,745,670
Purchase of equipment	-	(33,256)
Cash flows used in investing activities	(21,269,746)	(7,145,520)
FINANCING ACTIVITIES		
Proceeds from private placements	17,291,680	10,000,002
Share issuance costs	(1,434,742)	(961,963)
Repayment of lease obligations	(87,058)	(44,255)
Cash flows provided by financing activities	15,769,880	8,993,784
Decrease in cash and cash equivalents	(8,106,107)	(881,963)
Cash and cash equivalents, beginning of period	12,105,759	16,585,701
Cash and cash equivalents, end of period	$ 3,999,652	$ 15,703,738
Supplemental cash flow information:		
Exploration and evaluation asset costs in accounts payable and accrued liabilities	$ 1,340,989	$ 435,321
Fair value of replacement compensation options	-	302,456
Flow-through premium liability	1,730,290	2,058,096
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	858,285	-
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 AND GOING CONCERN

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 December 31, 2022, the Company's current assets exceeded its current liabilities by $3,215,898 and had an accumulated deficit of $19,891,770. 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, and an option to earn in to the Iris Lake and Vanguard properties, located in Ontario, Canada.

The Company currently is not generating any revenue. Whether and when the Company can obtain profitability and positive cash flows from its operations is uncertain. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. 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 condensed consolidated interim 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.

Significant accounting judgments

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:

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.

(in Canadian Dollars - unaudited)

4. CASH AND CASH EQUIVALENTS

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

		December 31, 2022		March 31, 2022
Cash held in bank accounts	**$**	**3,999,652**	$	6,603,649
Cash equivalents		**-**		5,502,110
Total	**$**	**3,999,652**	$	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.

5. AMOUNTS RECEIVABLE

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

		December 31, 2022		March 31, 2022
GST receivable	**$**	**533,760**	$	778,234
Other receivables (Note 13)		**60,000**		59,618
Total	**$**	**593,760**	$	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.

(in Canadian Dollars - unaudited)

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.

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	-	91,000	91,000
Balance, December 31, 2022	$ 52,055,250	$ 91,000	$ 52,146,250
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	721,961	-	721,961
Consulting and salaries	4,535,221	-	4,535,221
Database management	47,987	-	47,987
Drilling	10,975,595	-	10,975,595
Geochemistry and geophysics	3,810,011	197,791	4,007,802
Other costs	708,450	-	708,450
Balance, December 31, 2022	$ 30,014,391	$ 197,791	$ 30,212,182
Total, March 31, 2022	**$ 61,270,416**	**$ -**	**$ 61,270,416**
Total, December 31, 2022	**$ 82,069,641**	**$ 288,791**	**$ 82,358,432**

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).

(in Canadian Dollars - unaudited)

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 nine months ended December 31, 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 (completed);
    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.

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, December 31, 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		71,148		8,314		79,462
Balance, December 31, 2022	**$**	**133,402**	**$**	**14,318**	**$**	**147,720**
Net book value						
Balance, March 31, 2022	$	325,470	$	27,252	$	352,722
Balance, December 31, 2022	**$**	**334,779**	**$**	**18,938**	**$**	**353,717**

(in Canadian Dollars - unaudited)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

		December 31, 2022		March 31, 2022
Accounts payable	**$**	**832,276**	$	1,924,700
Accrued liabilities		**653,253**		544,885
Total	**$**	**1,485,529**	$	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:

		December 31, 2022		March 31, 2022
Current portion of lease obligations	**$**	**91,592**	$	102,431
Non-current portion of lease obligations		**253,152**		230,617
	$	**344,744**	$	333,048

The lease liability interest expense recognized in 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		18,297
Payments		(87,058)
Balance, December 31, 2022	**$**	**344,744**

As at December 31, 2022, the Company is committed to minimum lease payments as follows:

		December 31, 2022
Less than one year	$	91,594
One to five years		239,756
More than five years		55,899
Total undiscounted lease liabilities	**$**	**387,249**

During the nine months ended December 31, 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.

(in Canadian Dollars - unaudited)

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)	1,730,290
Recovery of flow-through premium	(2,259,585)
Balance, December 31, 2022	**472,905**

During the three and nine months ended December 31, 2022, the Company recorded a recovery of the flow-through premium of $807,950 and $2,259,585 (2021 - $346,468 and $658,033), respectively, based on eligible flow-through exploration expenditures incurred.

As at December 31, 2022, the Company has a remaining obligation to spend $2,837,430 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 December 31, 2022, there were 167,851,703 issued and fully paid common shares (March 31, 2022 – 115,458,038). At December 31, 2022, there were 25,030,301 (2022 – 31,300,501) shares held in escrow, including the additional shares issued to Wesdome on June 6, 2022, subject to the following escrow release conditions: 8,343,433 released on June 4, 2023, 8,343,433 released on December 4, 2023, and 8,343,435 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, 6,260,100 released on June 4, 2022, and 8,343,433 released on December 4, 2022.

<u>Nine months ended December 31, 2022:</u>

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).

On December 22, 2022, the Company closed a private placement for aggregate gross proceeds of $5,750,000 by issuing 9,458,100 flow-through units ("Flow-Through Units") at a price of $0.30 for gross proceeds of $2,837,430, and 11,650,280 non-flow-through units ("Non-Flow-Through-Units") at a price of $0.25 per non-flow-through unit for gross proceeds of $2,912,570. Each Flow-Through Unit consists of one flow-through common share and one-half of one common share purchase warrant and each Non-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 $0.40, 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 December 2022 Offering was $105,542.

Based on the difference in price between the Flow-Through Unit and Non-Flow-Through financings, management accounted for the premium paid on the Flow-Through Units on a residual basis as a flow-through premium liability of $472,905 (Note 11). In connection with the December 2022 Offering, the Company paid to the agents a cash commission equal to 6% of the gross proceeds in the amount of $282,500 and incurred other share issuance costs of $385,581.

On December 30, 2022, the Company closed a non-brokered private placement for gross proceeds of $1,041,680 by issuing 4,166,720 non-flow-through units at a price of $0.25 per non-flow-through unit. Each non-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 $0.40, 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 was $20,834. In connection with the financing, the Company paid to the agents a finder's fee of $500 and incurred other share issuance costs of $10,000.

<u>Nine months ended December 31, 2021:</u>

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).

On November 23, 2021, the Company closed its previously announced private placement for aggregate gross proceeds of $10,000,000 by issuing 10,810,692 flow-through common shares ("FT Shares") at a price of $0.65 for gross proceeds of $7,026,950 and 3,911,908 premium flow-through common shares ("Premium FT Shares") at a price of $0.76 per Premium FT Share for gross proceeds of $2,973,050 (the "Offering"). Based on the difference in price between the FT Shares/Premium FT Shares and the market price of the common shares, management accounted for the premium paid on the FT Shares/Premium FT Shares on a residual basis as a flow-through premium liability of $724,762 (Note 11).

(in Canadian Dollars - unaudited)

In connection with the Offering, the Company paid agents a cash commission equal to 6% of the gross proceeds of the Offering, of which 3% was paid in cash totalling $299,025 and 3% was paid through the issuance of 440,179 common shares of the Company with a fair value of $277,313. In addition, the Company issued to the agents 880,355 compensation options of the Company exercisable for a period of 24 months at an exercise price of $0.65. The fair value of the compensation options was determined to be $294,969 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 1.05%, expected life of 2 years, volatility factor of 100% and dividend yield of Nil. The Company also incurred additional cash share issuance costs of $144,931 in connection with the closing of the offerings.

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.

The following is a continuity of the Company’s options outstanding for the nine months ended December 31, 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, December 31, 2022	**$**	**0.65**	**8,737,500**

As at December 31, 2022, the Company had outstanding options as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price		Remaining contractual life (in years)
June 4, 2026	7,650,000	2,550,000	$	0.65	3.43
July 15, 2026	50,000	16,667	$	0.69	3.54
November 23, 2026	1,037,500	345,833	$	0.65	3.90

During the three and nine months ended December 31, 2022, the Company recognized $439,291 (2021 - $870,580) and $1,670,687 (2021 – $1,945,840), respectively, in stock-based compensation expense.

Warrants

The following is a continuity of the Company’s warrants outstanding for the nine months ended December 31, 2022 and the year ended March 31, 2022:

	Exercise price		Number of warrants
Opening balance, March 31, 2021 and 2022	$	-	-
Granted		0.55	21,880,166
Closing balance, December 31, 2022	**$**	**0.55**	**21,880,166**

As at December 31, 2022, the Company had outstanding warrants as follows:

Expiry date	Warrants outstanding	Warrants exercisable	Exercise price		Remaining contractual life (in years)
April 6, 2024	8,742,616	8,742,616	$	0.75	1.27
May 18, 2024	500,000	500,000	$	0.75	1.38
December 22, 2024	10,554,190	10,554,190	$	0.40	1.98
December 30, 2024	2,083,360	2,083,360	$	0.40	2.00

(in Canadian Dollars - unaudited)

Compensation options

The following is a continuity of the Company's compensation options outstanding for the nine months ended December 31, 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, December 31, 2022	**$ 0.65**	**3,920,654**

As at December 31, 2022, the weighted average remaining life of the compensation options outstanding was 0.74 years.

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 nine months ended December 31, 2022 and 2021, compensation of key management personnel, including directors, was as follows:

	Three Months Ended		Nine Months Ended	
	December 31, 2022	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Salaries, management fees and other employee benefits	$ 155,500	$ 70,333	$ 307,000	$ 211,000
Stock-based compensation	278,481	533,053	1,074,785	1,194,328
Total	$ 433,981	$ 603,386	$ 1,537,785	$ 1,405,328

As at December 31, 2022, the Company owed a total of $nil to key management personnel in respect of services provided to the Company, (March 31, 2022 - $467,548) and $45,244 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 nine months ended December 31, 2022, the Company incurred expenses with Sentinel for administration, corporate and financial reporting services of $19,475 and $85,975, respectively. Sentinel was not a related party during the three and nine months ended December 31, 2021. As at December 31, 2022, there was $Nil (March 31, 2022 - $45,150) owing to Sentinel for services and $71 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:

(in Canadian Dollars - unaudited)

		December 31, 2022		March 31, 2022
Financial assets:				
Fair value through profit or loss				
Cash and cash equivalents	$	3,999,652	$	12,105,759
Amounts receivable		593,760		837,852
Financial liabilities:				
Amortized cost				
Accounts payable and accrued liabilities	$	1,485,529	$	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 condensed consolidated interim 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 December 31, 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 December 31, 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 December 31, 2022, the Company had cash and cash equivalents of $3,999,652 and accounts payable and accrued liabilities of $1,485,529 with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at December 31, 2022. The Company assessed its liquidity risk as low as at December 31, 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 December 31, 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 December 31, 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 December 31, 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 nine months ended December 31, 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.