FIRST URANIUM RESOURCES LTD. (formerly Karam Minerals Inc.)

Condensed Interim Consolidated Financial Statements

For the three months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three Months Ended September 30, 2022 and 2021

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of First Uranium Resources Ltd. for the interim periods ended September 30, 2022 and 2021, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting,* as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Crowe Mackay LLP, have not performed a review of these condensed interim consolidated financial statements.

February 3, 2023

FIRST URANIUM RESOURCES LTD. (formerly Karam Minerals Inc.)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	**September 30, 2022**	June 30, 2022
		$	$
ASSETS			
Current			
Cash		**7,079,018**	6,601,658
Receivables		**44,685**	41,514
Investments	6	**1,314,473**	2,552,696
		8,438,176	9,195,868
Exploration and evaluation assets	7	**2,969,868**	2,969,868
Total assets		**11,408,044**	12,165,736
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	**93,179**	100,232
Promissory notes	8	**21,354**	20,991
Total liabilities		**114,533**	121,223
SHAREHOLDERS' EQUITY			
Share capital	9(b)	**14,614,109**	14,614,109
Reserves	9(c)	**438,845**	438,845
Deficit		**(3,759,443)**	(3,008,441)
Total shareholders' equity		**11,293,511**	12,044,513
Total liabilities and shareholders' equity		**11,408,044**	12,165,736

Nature of operations and going concern (Note 1)
Subsequent event (Note 14)

Approved and authorized for issue on behalf the Board of Directors:

/s/ "Robert Dubeau"	*/s/ "Desmond Balakrishnan"*
Director	Director

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

FIRST URANIUM RESOURCES LTD. (formerly Karam Minerals Inc.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars, except number of share)

	Note	Three months ended September 30, 2022	2021
		$	$
Operating expenses			
Administrative fees		**37,083**	-
Consulting fees		**42,579**	-
Exploration expenses		**27,150**	-
Interest expense	7	**822**	1,065
Management fees	10	**15,000**	-
Marketing costs		**-**	754
Professional fees		**918**	2,194
Transfer agent and filing fees		**7,878**	4,574
		131,430	8,587
Other expenses (income)			
Gain on foreign exchange	6	**(9,720)**	-
Interest income		**(321)**	-
Realized loss on investment sold	6	**488,203**	-
Unrealized loss on change in fair value of investments	6	**141,410**	-
		619,572	-
Net loss and comprehensive loss		**751,002**	8,587
Loss per share:			
Basic and diluted		**0.01**	0.00
Weighted average number of common shares:			
Basic and diluted		**81,126,589**	18,263,374

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

FIRST URANIUM RESOURCES LTD. (formerly Karam Minerals Inc.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Three months ended September 30, 2022	Three months ended September 30, 2021
	$	$
Operating activities:		
Net loss for the period	**(751,002)**	(8,587)
Items not affecting cash:		
Interest expense	**363**	1,028
Gain on foreign exchange	**(9,720)**	-
Realized loss on investment sold	**488,203**	-
Unrealized loss on change in fair value of investments	**141,410**	-
Changes in non-cash working capital:		
Receivables	**(3,431)**	(111)
Accounts payable and accrued liabilities	**(7,053)**	(14,974)
Cash used in operating activities	**(141,230)**	(22,644)
Investing activities:		
Proceeds from sale of investments	**618,590**	-
Cash provided by investing activities	**618,590**	-
Financing activities:		
Proceeds from promissory note	**-**	40,000
Cash provided by financing activities	**-**	40,000
Change in cash	**477,360**	17,356
Cash, beginning of period	**6,601,658**	1,628
Cash and cash, end of period	**7,079,018**	18,984
Cash received (paid) during the period for:		
Interest income	**321**	-
Interest expense	**(459)**	(37)
Supplemental disclosure of non-cash transactions:		
Shares issued for acquisition of Hathor	**-**	440,000

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

FIRST URANIUM RESOURCES LTD. (formerly Karam Minerals Inc.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Reserves	Deficit	Total shareholders' equity (deficiency)
	#	$	$	$	$
Balance, June 30, 2021	18,239,461	674,002	74,613	(807,379)	(58,764)
Issuance of common shares for acquisition of Hathor	2,200,000	440,000	-	-	440,000
Net loss and comprehensive loss	-	-	-	(8,587)	(8,587)
Balance, September 30, 2021	20,439,461	1,114,002	74,613	(815,966)	372,649
Issuance of common shares in November private placement	15,000,000	3,000,000	-	-	3,000,000
Issuance of common shares in April private placement	28,571,283	9,999,949	-	-	9,999,949
Issuance of common shares for acquisition of Southwind	13,333,327	1,389,332	-	-	1,389,332
Shares issued as finder's fee	2,000,000	290,000	-	-	290,000
Shares issued upon exercise of stock options	600,000	104,768	(44,768)	-	60,000
Shares issued as settlement of debt	132,518	67,584	-	-	67,584
Share issuance costs	1,050,000	(1,351,526)	409,000	-	(942,526)
Net loss and comprehensive loss	-	-	-	(2,192,475)	(2,192,475)
Balance, June 30, 2022	81,126,589	14,614,109	438,845	(3,008,441)	12,044,513
Net loss and comprehensive loss	-	-	-	(751,002)	(751,002)
Balance, September 30, 2022	**81,126,589**	**14,614,109**	**438,845**	**(3,759,443)**	**11,293,511**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

First Uranium Resources Ltd. (formerly Karam Minerals Inc.) (the “Company”) was incorporated under the Business Corporations Act of British Columbia on December 14, 2016. The Company’s registered office is located at 1500 - 1055 West Georgia Street, Vancouver, BC, V6E 4N7. The Company is listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “URNM”. The Company is engaged in the acquisition, exploration and evaluation of resource properties.

These unaudited condensed interim consolidated financial statements for the three months ended September 30, 2022 and 2021 (the “financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at September 30, 2022, the Company has a working capital of $8,323,643 (June 30, 2022 - $9,074,645) and an accumulated deficit of $3,759,443 (June 30, 2022 - $3,008,441). For the three months ended September 30, 2022, the Company incurred a net loss of $751,002 (2021 - $8,587) and used cash in operating activities of $141,230 (2021 - $22,644). These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These 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.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on February 3, 2023.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited financial statements for the years ended June 30, 2022 and 2021 (the "Annual Financial Statements").

b) Basis of presentation

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS, as well as information presented in the condensed interim consolidated statements of cash flows.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars. The functional currency is the currency of the primary economic environment in which an entity operates. Amounts denominated in Canadian dollars are denoted as CAD and $, amounts denominated in United States dollars are denoted as US$ and USD, and the amounts denominated in British pounds are denoted as £.

(Unaudited - Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at September 30, 2022 are as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Functional currency	Principal activity
Hathor Exploration Limited (1)	Canada	100%	CAD	Mining company
Southwind Corporation (2)	United States	100%	USD	Mining company

(1) On September 20, 2021, the Company acquired a 100% interest in Hathor Exploration Limited (Note 5).
(2) On June 30, 2022, the Company acquired a 100% interest in Southwind Corporation (Note 5).

e) Reclassification of prior period presentation

Certain prior period amounts have been reclassified to conform to the current period presentation. These reclassifications had no effect on the reported results of operations.

3. SIGNIFICANT ACCOUNTING POLICIES

In the preparation of these financial statements, the Company used the same accounting policies as those applied and disclosed in Note 3 to the Annual Financial Statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 4 to the Annual Financial Statements.

5. ACQUISITIONS

a) Acquisition of Hathor Exploration Ltd

Hathor is a privately held uranium company with strategic claims in the heart of the Athabasca Basin in proximity to industry leading uranium discoveries. Hathor is the beneficial owner of multiple mineral properties located in Saskatchewan ("Hathor Property").

On September 20, 2021, the Company signed a definitive agreement to acquire 100% of Hathor through the issuance of 2,200,000 common shares at a price of $0.20 per share for a total cost of $440,000.

The acquisition of Hathor has been accounted for by the Company as a purchase of assets. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Hathor at the time of acquisition. Therefore, the asset acquisition transaction was accounted for in accordance with guidance provided in IFRS 2 *Share-based payment.* Accordingly, no goodwill was recorded with respect to the acquisition. Subsequent to September 30, 2022, Hathor was sold for $400,000 (Note 14).

(Unaudited - Expressed in Canadian dollars, except where noted)

5. ACQUISITIONS (continued)

A summary of the fair values of assets acquired and the purchase price as at the September 20, 2021 acquisition date is as follows:

	$
Purchase price:	
Fair value of common shares issued	**440,000**
Purchase price allocation:	
Exploration and evaluation assets	**440,000**

b) Acquisition of Southwind Corporation

Southwind is an Arkansas based development project. Southwind's principal asset is a land package in Arkansas comprising a phosphate and rare earth metals project ("Southwind Property").

On April 22, 2022 and amended on June 30, 2022, the Company entered into a definitive agreement to acquire all of the issued and outstanding shares of Southwind in exchange for 13,333,327 shares of the Company (the "Consideration Shares", issued) and a cash payment of US$550,000 (paid).

The Consideration Shares were valued at $1,389,332, being the trading price of $0.145 per share adjusted for a holding period of up to 24 months, discounted at $544,000, estimated using the Black-Scholes Option Pricing Model. In connection with the acquisition, the Company issued 2,000,000 finder's shares with a fair value of $290,000. The Consideration Shares are subject to a voluntary hold period and will be automatically released in accordance with the following schedule: (i) 20% on June 30, 2022; and (ii) 10% every three months thereafter to the 24-month anniversary of the date of issuance.

The Company is required to spend $3,865,800 (US$3,000,000) on the Southwind Property in the next year, or the founders of Southwind will have an option to reacquire Southwind from the Company.

The acquisition of Southwind has been accounted for by the Company as a purchase of assets. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs, that together constitute a business, did not exist in these projects at the time of acquisition. Therefore, the asset acquisition transaction was accounted for in accordance with guidance provided in IFRS 2 *Share-based payment.* Accordingly, no goodwill was recorded with respect to the acquisition.

A summary of the fair values of assets acquired and the purchase price as at the June 30, 2022 acquisition date is as follows:

	$
Purchase price:	
Fair value of common shares issued	1,389,332
Cash consideration paid	756,107
Fair value of finders' shares	290,000
Transaction cost	134,428
	2,569,867
Purchase price allocation:	
Exploration and evaluation assets	**2,569,867**

(Unaudited - Expressed in Canadian dollars, except where noted)

6. INVESTMENTS

A summary of the Company's investments is as follows:

	EarthRenew shares	EarthRenew warrants	Keras shares	Keras warrants	Total
	$	$	$	$	$
Balance, June 30, 2021	-	-	-	-	-
Investments purchased	800,000	200,000	2,162,755	460,252	3,623,007
Proceeds from investments sold	(36,730)	-	-	-	(36,730)
Realized loss on investment sold	(3,270)	-	-	-	(3,270)
Unrealized change in fair value of investments	(133,000)	120,000	(694,699)	(278,103)	(985,802)
Loss on foreign exchange	-	-	(22,961)	(21,548)	(44,509)
Balance, June 30, 2022	627,000	320,000	1,445,095	160,601	2,552,696
Proceeds from investments sold	(618,590)	-	-	-	(618,590)
Realized loss on investment sold	(141,410)	-	-	-	(141,410)
Unrealized change in fair value of investments	133,000	(140,000)	(424,497)	(56,706)	(488,203)
Gain (loss) on foreign exchange	-	-	25,940	(15,960)	9,980
Balance, September 30, 2022	**-**	**180,000**	**1,046,538**	**87,935**	**1,314,473**

a) EarthRenew Inc.

EarthRenew Inc. ("EarthRenew") engages in the production and sale of regenerative and organic fertilizer in North America and is publicly listed on the Canadian Stock Exchange.

On June 21, 2022, the Company purchased 4,000,000 EarthRenew units at a price of $0.25 per unit for a total of $1,000,000. Each unit comprises one common share of EarthRenew and one common share purchase warrant exercisable to acquire one common share of EarthRenew at a price of $0.32 per unit for a period of 48 months following the date of issuance. Of the $1,000,000, using the residual method, $800,000 was allocated to EarthRenew shares and the remaining $200,000 was allocated to EarthRenew warrants.

During the year ended June 30, 2022, the Company sold 200,000 EarthRenew common shares for a total cost of $36,730.

During the three months ended September 30, 2022, the Company sold 3,800,000 EarthRenew common shares for total proceeds of $618,590.

As at September 30, 2022, the Company held 4,000,000 share purchase warrants with fair value of $0.05 per share purchase warrant measured by reference to the publicly available trading price of these warrants, which is a Level 1 fair value measurement. During the three months ended September 30, 2022, the Company incurred a realized loss of $141,410 on the sale of common shares (2021 - $nil) and an unrealized loss on change in fair value of investments of $7,000 (2021 - $nil) from EarthRenew investments.

As at September 30, 2022, the Company does not own any common shares in the investee and does not have an appointed representative as an officer or on the board of directors.

(Unaudited - Expressed in Canadian dollars, except where noted)

6. INVESTMENTS (continued)

b) Keras Resources Plc

Keras Resources Plc (“Keras”) is a mineral resource company publicly listed on the London Stock Exchange.

On April 26, 2022, the Company purchase 8,000,000 common shares and warrants of Keras at a price of approximately $0.19 (£0.12) per share for an aggregate price of $1,543,968 (£960,000). Each Keras warrant will be exercisable to subscribe for one ordinary share at any time prior to May 31, 2024, for $0.28 (£0.18) per share. The warrants were accounted for using the residual value method. The fair value allocated to the common shares purchased was $1,083,716 (£680,000), and $460,252 (£280,000) allocated to the warrants.

On June 22, 2022, the Company purchased an additional 5,750,000 common shares of Keras at a price of $0.19 (US$0.145) per share for an aggregate price of $1,079,039 (US$833,750).

The quoted market price of Keras common shares as at September 30, 2022, was approximately $0.08 (£0.05; US$0.06) per share, resulting in a fair value of the Keras common shares at $1,046,538.

The fair value of the Keras warrants as at September 30, 2022 is estimated to be $87,935 (£58,243) using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2022	June 30, 2022
Share price	**£0.053**	£0.068
Expected life	**2 years**	2 years
Expected volatility	**80.12%**	80.21%
Risk-free rate	**1.59%**	1.59%
Dividend yield	**0.00%**	0.00%

On July 26, 2022, Keras completed a consolidation of its common shares on one hundred to one basis. All Keras share and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to Keras common shares are on a post-consolidation basis. Numbers of warrants and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

During the three months ended September 30, 2022, the Company incurred an unrealized loss on change in fair value of $481,203 (2021 - $nil) from Keras investments.

As at September 30, 2022, the Company owns an approximate 17% interest in Keras and does not have an appointed representative as an officer or on the board of directors.

7. EXPLORATION AND EVALUATION ASSETS

A summary of the Company’s exploration and evaluation assets is as follows:

	Black Duck Property	**Hathor Property**	**Southwind Property**	**Total**
	$	$	$	$
Balance, June 30, 2021	1	-	-	1
Acquisition costs	-	440,000	2,569,867	3,009,867
Impairment of exploration and evaluation assets	-	(40,000)	-	(40,000)
Balance, September 30, 2022 and June 30, 2022	**1**	**400,000**	**2,569,867**	**2,969,868**

7. EXPLORATION AND EVALUATION ASSETS (continued)

a) Black Duck Property, British Columbia, Canada

The Black Duck Property, located in south-central British Columbia, consists of two mineral titles, through staking.

b) Hathor Property, Saskatchewan, Canada

During the three months ended September 30, 2022, the Company incurred $nil (2021 - $440,000) of acquisition costs for the Hathor Property. The acquisition cost comprised of 2,200,000 shares of the Company issued at a fair value of $0.20 for a total of $440,000 (Note 5(a)). The Hathor Property is located in the heart of the Athabasca Basin in Saskatchewan and consists of 18 mineral claims totaling 51,805 hectares.

On January 18, 2023, the Company closed a share purchase agreement to sell all of the issued and outstanding securities of Hathor for $400,000 (Note 14).

c) Southwind Property, Arkansas, USA

The Southwind Property is a land package in Arkansas comprising a phosphate and rare earth metals project.

During the three months ended September 30, 2022, the Company incurred $27,150 (2021 - $nil) of exploration and evaluation expenses on this property.

8. PROMISSORY NOTES

On April 23, 2020, the Company entered into an unsecured promissory note of $5,000 with a third-party. The promissory note bears simple interest at 8% per annum accrued annually and is payable on demand. During the three months ended September 30, 2022, the Company accrued $nil (2021 - $139) of interest expense. During the year ended June 30, 2022, the Company repaid the promissory note and accrued interest in full for $5,651.

On June 2, 2020, the Company entered into an unsecured promissory note of $18,000 with a third-party. The promissory note bears simple interest at 8% per annum accrued annually and is payable on demand. During the three months ended September 30, 2022, the Company accrued $363 (2021 - $363) of interest expense. As at September 30, 2022, the amount of principal and accrued interest outstanding is $21,354 (June 30, 2022 - $20,991).

On August 1, 2021, the Company entered into an unsecured promissory note of $40,000 with a third-party. The promissory note bears simple interest at 8% per annum accrued annually and payable on demand. During the three months ended September 30, 2022, the Company accrued $nil (2021 - $526) of interest expense. During the year ended June 30, 2022, the Company repaid the promissory note and accrued interest in full for $41,503.

9. SHARE CAPITAL

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued share capital

During the three months ended September 30, 2022, the Company had the no share capital transactions.

During the year ended June 30 2022, the Company had the following share capital transactions:

- On September 20, 2021, pursuant to the closing of the Hathor acquisition, the Company issued 2,200,000 common shares of the Company at a fair value of $0.20 per share, for total fair value of $440,000 (Note 5(a)).

(Unaudited - Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

- On November 11, 2021, the Company closed a non-brokered private placement of 15,000,000 units at $0.20 per unit for gross proceeds of $3,000,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 per share for a period of two years from the closing date of the private placement. The warrants were accounted for using the residual value method. As the fair value of the common shares issued exceeded the cash proceeds, there was $nil residual value allocated to the warrants.

- In connection with the private placement, the Company issued 1,050,000 finder's units (each, a "Finder's Unit") and 1,050,000 finder's warrants (each, a "Finder's Warrant"). Each Finder's Unit consists of one share and one-half of one warrant. Each warrant will be exercisable into one additional common share of the Company at an exercise price of $0.40 per share for a period of two years from the closing date of the private placement. Each Finder's Warrant is exercisable into one Finder Unit at an exercise price of $0.20 per Finder Unit for a period of 24 months from closing. The Company determined the fair value of finder's warrants using a Black-Scholes option pricing model with the following inputs: share price of $0.20, exercise price of $0.40, expected term of 2.00 years, volatility of 100%, risk-free rate of 0.97% and dividend yield of 0.00%. Total fair value of the Finder's Warrants issued was $113,000 and was recorded as share issuance costs to reserves.

- On November 30, 2021, pursuant to the exercise of 600,000 stock options at $0.10 per share for gross proceeds for $60,000, the Company issued 600,000 common shares of the Company. In connection with shares issued, $44,768 was reallocated from reserves to share capital.

- On December 15, 2021, in relation to a debt settlement agreement, the Company settled $31,804 owed to a creditor of the Company through the issuance of 132,518 common shares of the Company at a value of $0.51 per share totaling $67,584. As a result, $35,780 was recorded as a loss on debt settlement.

- On April 19, 2022, the Company closed a private placement of 28,571,283 units at $0.35 per unit for proceeds of $9,999,949. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable for one common share of the Company at a price of $0.50 per share until April 19, 2023. The warrants are accounted for using the residual value method. As the fair value of the common shares issued exceeded the cash proceeds, there was $nil residual value allocated to the warrants. In connection with the private placement, the Company issued 1,809,878 finder's warrants. Each finder's warrant is exercisable for one additional common share of the Company at a price of $0.50 per share until June 19, 2024. The Company determined the fair value of finder's warrants using a Black-Scholes option pricing model with the following inputs: share price of $0.35, exercise price of $0.50, expected term of 2.17 years, volatility of 100%, risk-free rate of 2.45% and dividend yield of 0.00%. Total fair value of the finder's warrants was $296,000 and was recorded as share issuance costs to reserves.

- On June 30, 2022, pursuant to the closing on the Southwind acquisition, the Company issued 13,333,327 common shares of the Company at a fair value of $0.10 per share, for total fair value of $1,389,332. The shares are subject to a voluntary hold period and will be automatically released in accordance with the following schedule: (i) 20% on June 30, 2022; and (ii) 10% every three months thereafter to the 24-month anniversary of the date of issuance. The Company issued 2,000,000 common shares to the finder of the acquisition at a fair value of $0.145 per share, for total fair value of $290,000 (Note 5(b)).

c) Reserves

A summary of the Company's reserves activity is as follows:

	Stock Options	Warrants	Total
	$	$	$
Balance, June 30, 2021	74,613	-	74,613
Exercise of options and warrants	(44,768)	-	(44,768)
Warrants issued as share issuance costs	-	409,000	409,000
Balance, September 30, 2022 and June 30, 2022	**29,845**	**409,000**	**438,845**

(Unaudited - Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

d) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, June 30, 2021	-	-
Issued - private placement	7,500,000	0.40
Issued - finders' units (*)	1,050,000	0.20
Issued - finders' warrants	525,000	0.40
Issued - private placement	14,285,642	0.50
Issued - finders' warrants	1,809,878	0.50
Balance, September 30, 2022 and June 30, 2022	**25,170,520**	**0.46**

*Each finder's unit consists of one share and one-half of one warrant. Each warrant is exercisable into one additional common share of the Company at an exercise price of $0.40 per share for a period of two years from the closing date of the private placement.

A summary of the Company's outstanding warrants as at September 30, 2022 is as follows:

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	$	Years
April 19, 2023	14,285,642	0.50	0.55
November 11, 2023	8,025,000	0.40	1.12
November 11, 2023	1,050,000	0.20	1.12
June 19, 2024	1,809,878	0.50	1.72
	25,170,520	**0.46**	**0.84**

During the three months ended September 30, 2022, the Company did not issue any warrants. During the year ended June 30, 2022, the Company issued 1,809,878 finders' warrants and 1,050,000 finders' warrants (units) with a fair value of $409,000. A summary of the range of assumptions used in the Black-Scholes option pricing model for the year ended June 30, 2022 is as follows:

Exercise price	$0.40 - $0.50
Share price	$0.44 - $0.59
Expected life	2 - 2.17 years
Expected volatility	100.00%
Risk-free rate	0.97% - 2.45%
Dividend yield	0.00%

Expected volatility was estimated based on similar-sized entities in the industry.

e) Stock options

Stock options to purchase common shares have been granted to directors and officers of the Company at exercise prices determined by reference to the market value on the date of the grant. The number of shares available for options to be granted under the Company's stock option plan is 10% of the number of shares outstanding (the "Plan"). Options granted under the Plan vest immediately or over a period of time at the discretion of the Board of Directors.

Under the Plan, the options are non-assignable and non-transferable. The minimum exercise price of an option granted under the Plan must not be less than the discounted market price, as such term is defined in the policies of the CSE.

The Company did not grant stock options during the three months ended September 30, 2022 and the year ended June 30, 2022.

(Unaudited - Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

Stock options to purchase common shares have been granted to directors and officers of the Company at exercise prices determined by reference to the market value on the date of the grant. The number of shares available for options to be granted under the Company's stock option plan is 10% of the number of shares outstanding (the "Plan"). Options granted under the Plan vest immediately or over a period of time at the discretion of the Board of Directors.

Under the Plan, the options are non-assignable and non-transferable. The minimum exercise price of an option granted under the Plan must not be less than the discounted market price, as such term is defined in the policies of the CSE. The options can be granted for a maximum term of ten years.

The Company did not grant stock options during the three months June 30, 2022 and the year ended June 30, 2022.

A summary of the Company's stock option activity is as follows:

	Number of options	**Weighted Average Exercise price**
	#	$
Balance, June 30, 2021	1,000,000	0.10
Exercised	(600,000)	0.10
Balance, September 30, 2022 and June 30, 2022	**400,000**	**0.10**

A summary of the Company's outstanding stock options as at September 30, 2022 is as follows:

Date of expiry	**Exercise price**	**Number of options outstanding**	**Number of options exercisable**	**Weighted average remaining life**
	$	#	#	years
April 24, 2024	0.10	400,000	400,000	1.57

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

During the three months ended September 30, 2022, the Company incurred management fees with key management personnel of $15,000 (2021 - $nil).

Key management includes directors and officers of the Company and companies owned directly or indirectly by its directors and officers. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

As at September 30, 2022, accounts payable and accrued liabilities included $15,750 (June 30, 2022 - $15,750) owed to an officer of the Company. All related party amounts were incurred in the normal course of operations, bear no interest, and have no fixed terms of repayment.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

As at September 30, 2022, the Company's cash, accounts payables and accrued liabilities and promissory notes are measured at amortized cost. The fair values of these financial instruments approximate their carrying values due to their short-term nature.

As at September 30, 2022, the Company's investments are measured at fair value through profit and loss. The Company's investments in Keras and EarthRenew common shares and EarthRenew warrants are measured at fair value using Level 1 inputs. The fair value of investments in these shares and warrants is measured based on the quoted market price of these securities at each reporting date, and changes in fair value are recognized in profit or loss. The fair value of the investments in Keras warrants is determined using the Black-Scholes option pricing model and Level 3 inputs.

During the three months ended September 30, 2022 and 2021, there were no transfers between Level 1, Level 2, and Level 3 classified financial assets and liabilities.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk related to cash to be minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that sufficient funds are raised from equity offerings or debt financing to meet its operating requirements, after taking into account existing cash and expected exercise of stock options and warrants. The Company's cash is held in business accounts which are available on demand for the Company's programs. The Company's liquidity risk relates primarily to accounts payable and accrued liabilities and promissory notes. Refer to Note 1 with respect to going concern matters.

c) Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is exposed to foreign exchange risk from fluctuations in the Canadian dollar to the British pound and the US dollar. The sensitivity of the Company's net loss to changes in the exchange rate between the Canadian dollar to the British pound and the US dollar would be as follows: a 10% change in the Canadian dollar exchange rate relative to the British pound would change the Company's net loss by approximately $110,000, and a 10% change in the Canadian dollar exchange rate relative to the US dollar would change the Company's net loss by approximately $50,000.

d) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity prices. The Company is not exposed to significant interest rate risk on the basis that it does not hold any financial liabilities subject to movements in interest rates. The Company is exposed to market risk because of the fluctuating values of its publicly traded investments in Keras and EarthRenew. The Company has no control over these fluctuations and does not hedge its investments. The sensitivity of the Company's net loss to changes in the share prices of the investments would be as follows: a 10% change in Keras share price would change the Company's net loss by approximately $120,000, and a 10% change in EarthRenew's share price would change the Company's net loss by approximately $40,000.

(Unaudited - Expressed in Canadian dollars, except where noted)

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to pursue the development of its projects.

Historically, the Company has depended on external financing to fund its activities. The capital structure of the Company consists of all components of shareholders' equity, which was $11,293,511 as at September 30, 2022 (June 30, 2022 - $12,044,513). The Company manages its capital structure and makes adjustments to it for changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties.

In order to maintain or adjust its capital structure, the Company may issue new shares through equity offerings or sell assets to fund operations. Management reviews the Company's capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid, and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions. There have not been changes to the Company's capital management policy during the period.

13. SEGMENTED INFORMATION

The Company operates primarily in one business segment, which is the exploration and development of exploration and evaluation assets located in Canada and the United States. A summary of the Company's assets segmentation is as follows:

Non-current assets by country	**September 30, 2022**	June 30, 2022
	$	$
United States – Exploration and evaluation assets	**2,569,867**	2,569,867
Canada – Assets held for sale	**400,001**	400,001
Total	**2,969,868**	2,969,868

14. SUBSEQUENT EVENT

On January 13, 2023, the Company entered into a definitive agreement with Stallion Gold Corporation to sell all of the issued and outstanding securities of Hathor for $400,000. On January 18, 2022, the sale was closed and the Company received consideration $380,000 with the remaining $20,000 due to be paid 45 days following the close of the transaction.