



**CASSIAR GOLD CORP.**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**AS AT AND FOR THE  
THREE- AND SIX-MONTHS PERIODS ENDED MARCH 31, 2023 AND 2022**

**EXPRESSED IN CANADIAN DOLLARS**

**(UNAUDITED)**

**Under National Instrument 51-102, Part 4, subsection 4.3(3)9(a)**, if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the interim condensed consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of Cassiar Gold Corp. as of March 31, 2023, have been compiled by management and approved by the Audit Committee and the Board of Directors of the Corporation.

The Corporation's independent auditors have not performed a review of these interim condensed consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

**CASSIAR GOLD CORP.**  
**Interim Condensed Statements of Financial Position (Unaudited)**

As at	Note	March 31, 2023	September 30, 2022
		\$	\$
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash and cash equivalents		2,254,108	8,589,522
Accounts Receivable		112,616	408,342
Prepays		497,453	193,419
<b>TOTAL CURRENT ASSETS</b>		<b>2,864,177</b>	<b>9,191,283</b>
<b>NON-CURRENT</b>			
Property and equipment	4	372,881	395,016
Right-of-use assets	5	104,819	149,742
Deposits	6	1,418,944	418,944
Exploration and evaluation assets	7	31,477,550	28,177,473
<b>TOTAL ASSETS</b>		<b>36,238,371</b>	<b>38,332,458</b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Trade payables and accrued liabilities		874,740	2,470,798
Flow-through share liability	10	-	102,389
Short-term lease obligation	8	92,192	88,589
<b>TOTAL CURRENT LIABILITIES</b>		<b>966,932</b>	<b>2,661,776</b>
<b>NON-CURRENT</b>			
Long-term lease obligation	8	16,093	63,107
Assets retirement obligation	9	2,293,280	2,259,056
<b>TOTAL LIABILITIES</b>		<b>3,276,305</b>	<b>4,983,939</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	44,213,255	45,728,783
Contributed surplus		18,178,298	15,772,067
Deficit		(29,429,487)	(28,152,331)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>32,962,066</b>	<b>33,348,519</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>36,238,371</b>	<b>38,332,458</b>

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

Approved by the Board of Directors:

“Marco Roque”

Marco Roque, Director

“Stephen Letwin”

Stephen Letwin, Director

**CASSIAR GOLD CORP.****Interim Condensed Statements of Net Loss and Comprehensive Loss (Unaudited)**

		Three months ended		Six months ended	
	Note	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		\$	\$	\$	\$
<b>Expenses</b>					
General and administrative expenses	12	491,139	521,191	1,060,338	792,295
Stock-based compensation expenses	10	202,926	144,099	294,027	288,198
Depreciation	4,5	33,529	12,974	67,058	25,948
<b>Total expenses</b>		<b>727,594</b>	<b>678,264</b>	<b>1,421,423</b>	<b>1,106,441</b>
Interest income		(35,156)	(17)	(76,102)	(37)
Flow through share premium	10	-	(27,730)	(102,389)	(96,942)
Accretion	9	17,112	341	34,224	682
<b>Net loss and comprehensive loss</b>		<b>709,550</b>	<b>650,858</b>	<b>1,277,156</b>	<b>1,010,144</b>
<b>Weighted average number of shares</b>		<b>82,218,378</b>	<b>64,288,860</b>	<b>82,100,230</b>	<b>62,700,504</b>
<b>Loss per share – basic and fully diluted</b>		<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.02</b>	<b>\$0.02</b>

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

**CASSIAR GOLD CORP.**  
**Interim Condensed Statements of Changes in Shareholders' Equity (Unaudited)**

	Note	Share Capital	Contributed Surplus	Deficit	Total
		\$	\$	\$	\$
Balance as at, September 30, 2022		45,728,783	15,772,067	(28,152,331)	33,348,519
Net loss and comprehensive loss		-	-	(1,277,156)	(1,277,156)
Warrants exercised	10	333,165	-	-	333,165
Warrants expired	10	(1,932,687)	1,932,687	-	-
Stock options exercised	10	83,994	(38,994)	-	45,000
Share-based payments	10	-	365,488	-	365,488
Capitalized share-based payments	10	-	147,050	-	147,050
<b>Balance as at March 31, 2023</b>		<b>44,213,255</b>	<b>18,178,298</b>	<b>(29,429,487)</b>	<b>32,962,066</b>
Balance as at, September 30, 2021		32,921,848	11,347,662	(25,403,542)	18,865,968
Net loss and comprehensive loss		-	-	(1,010,144)	(1,010,144)
Warrants exercised		3,912,313	-	-	3,912,313
Warrants expired		(116,052)	116,052	-	-
Share-based payments		-	289,649	-	289,649
Capitalized share-based payments		-	20,821	-	20,821
Stock options exercised		90,500	(40,500)	-	50,000
Stock options forfeited		-	(1,451)	-	(1,451)
Property option payments		83,700	-	-	83,700
<b>Balance as at March 31, 2022</b>		<b>36,892,309</b>	<b>11,732,233</b>	<b>(26,413,686)</b>	<b>22,210,856</b>

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

**CASSIAR GOLD CORP.**  
**Interim Condensed Statements of Cash Flows (Unaudited)**

		Three months ended		Six months ended	
	Note	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		\$	\$	\$	\$
<b>CASH FLOWS RELATING TO OPERATING ACTIVITIES</b>					
Net loss and comprehensive loss		(709,550)	(650,858)	(1,277,156)	(1,010,144)
Items not affecting cash:					
Share-based payments	10	202,926	144,098	294,027	288,198
Depreciation	4,5	33,529	12,974	67,058	25,948
Flow through share premium	10	-	(27,730)	(102,389)	(96,942)
Interest on lease liability		2,297	-	5,027	-
Interest income		(35,156)	-	(76,102)	-
Accretion	9	17,112	341	34,224	682
Change in non-cash working capital					
Accounts Receivable		(31,333)	(33,622)	304,358	53,266
Prepaid expenses		(360,144)	(235,678)	(304,034)	(273,430)
Deposits		(500,000)	-	(1,000,000)	-
Trade payables and accrued liabilities		548,721	158,581	(1,596,058)	(345,710)
<b>Net cash used in operating activities</b>		<b>(831,598)</b>	<b>(631,894)</b>	<b>(3,651,045)</b>	<b>(1,358,132)</b>
<b>CASH FLOWS RELATING TO FINANCING ACTIVITIES</b>					
Interest income received		53,580	-	67,470	-
Lease payments		(24,219)	-	(48,438)	-
Proceeds from options exercises	10	-	50,000	45,000	50,000
Proceeds from warrants exercises	10	-	2,097,847	333,165	3,912,313
Share to be issued		-	23,700	-	23,700
<b>total change in financing activities</b>		<b>29,361</b>	<b>2,171,547</b>	<b>397,197</b>	<b>3,986,013</b>
<b>INVESTING</b>					
Exploration and evaluation	7	(1,427,832)	(826,082)	(3,081,566)	(2,120,555)
Cash option payments		-	(100,000)	-	(100,000)
<b>total change in investing activities</b>		<b>(1,427,832)</b>	<b>(926,082)</b>	<b>(3,081,566)</b>	<b>(2,220,555)</b>
Increase/(decrease) in cash and cash equivalents		(2,230,069)	613,571	(6,335,414)	407,326
<b>Cash and cash equivalents, beginning</b>		<b>4,484,177</b>	<b>3,267,316</b>	<b>8,589,522</b>	<b>3,473,561</b>
<b>Cash and cash equivalents, ending</b>		<b>2,254,108</b>	<b>3,880,887</b>	<b>2,254,108</b>	<b>3,880,887</b>

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

## 1. CORPORATE INFORMATION

Margaux Resources Ltd. was incorporated under the Alberta Business Corporations Act on August 5, 2009 and changed its name to Cassiar Gold Corp. (the “Corporation” or “Company”) on September 23, 2020. The Corporation currently trades on the TSX-V and the OTCQB Venture Market under the trading symbols “GLDC” and “CGLCF” respectively. The registered address of the Corporation is 15th Floor, Bankers Court, 850 – 2nd St. SW, Calgary, Alberta, T2P 0R8.

The Corporation is a mineral acquisition and exploration company focused on gold exploration within British Columbia.

On September 23, 2020, the Corporation’s common shares were consolidated on a basis of one post-consolidated common share for every 5 pre-consolidated common share. The number of shares, options and warrants presented have been adjusted to reflect the impact of this share consolidation.

## 2. GOING CONCERN

These interim condensed consolidated financial statements (“Financial Statements”) have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Corporation be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Corporation incurred a net loss of \$709,550 and \$1,277,156 (2022 - \$650,858 and \$1,010,144) and had negative cash flows relating to operating activities of \$831,598 and \$3,651,045 (2022 - \$631,894 and \$1,358,132) for the three and six-months periods ended March 31, 2023. These conditions indicate the existence of a material uncertainty which may cast significant doubt related to the Corporation’s ability to continue as a going concern. The continuation of the Corporation as a going concern is dependent on the ability of the Corporation to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and balance sheet classifications that would be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material. The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or issuing debt.

The application of the going concern concept is dependent upon the Corporation’s ability to generate future profitable operations and receive continued financial support from its shareholders. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Corporation has no source of revenue and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Corporation to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

## 3. BASIS OF PREPARATION

These Financial Statements are unaudited and have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These Financial Statements are presented in Canadian dollars which is the Company’s functional currency. In preparing these Financial Statements, the accounting policies, methods of computation and significant judgements made by management in applying the Company’s accounting policies and key sources of estimation of uncertainty were the same as those that applied to the audited financial statements as at and for the year ended September 30, 2022.

The disclosures herein are incremental to those included with the audited annual financial statements as at and for the year ended September 30, 2022 and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2022. These Financial Statements were authorized for issue by the board of directors on May 17, 2023.

#### 4. PROPERTY AND EQUIPMENT

	Land	Buildings	Computers, Equipment & Vehicles	Total
	\$	\$	\$	\$
<b>Cost</b>				
Balance as at September 30, 2021	28,933	380,706	260,286	669,925
Additions/Disposal	-	-	-	-
Balance as at September 30, 2022	28,993	380,706	260,286	669,985
Additions/Disposal	-	-	-	-
Balance as at March 31, 2023	28,993	380,706	260,286	669,985
<b>Accumulated Depreciation</b>				
Balance as at September 30, 2021	-	38,071	185,003	223,074
Additions	-	34,264	17,631	51,895
Balance as at September 30, 2022	-	72,335	202,634	274,969
Additions	-	15,419	6,716	22,135
Balance as at March 31, 2023	-	87,754	209,350	297,104
<b>Net book value</b>				
September 30, 2022	28,993	308,371	57,652	395,016
March 31, 2023	28,993	292,952	50,936	372,881

#### 5. RIGHT-OF-USE ASSETS

	ROU \$
<b>Cost</b>	
Balance as at September 30, 2021	-
Additions	179,691
Balance as at September 30, 2022	179,691
Additions	-
Balance as at March 31, 2023	179,691
<b>Accumulated Amortization</b>	
Balance as at September 30, 2021	-
Charge for the year	29,949
Balance as at September 30, 2022	29,949
Charge for the period	44,923
Balance as at March 31, 2023	74,872
<b>Net book value</b>	
Balance as at September 30, 2022	149,742
Balance as at March 31, 2023	104,819

#### 6. DEPOSITS

The Corporation's deposits include reclamation bonds for permits and license with banks in Canada and government of Canada. As at March 31, 2023, the Corporation had \$1,418,944 (September 30, 2022 - \$418,944) of reclamation bonds with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations. \$354,944 of reclamation bonds were acquired pursuant to the acquisition of Cassiar (2020). For the period ended March 31, 2023, \$500,000 of reclamation bonds were issued in October 2022 and \$500,000 of reclamation bonds were issued in March 2023 pursuant to government regulations.



## 7. EXPLORATION AND EVALUATION ASSETS

	Cassiar Gold Project	Sheep Creek Gold District Project	Total
Balance at September 30, 2021	\$15,565,169	\$1,978,346	\$17,543,515
Cash option payments	-	100,000	100,000
Share option payments	-	83,700	83,700
Change in estimate of asset retirement obligation	(248,725)	-	(248,725)
Exploration costs	10,673,203	25,780	10,698,983
Balance at September 30, 2022	\$25,989,647	\$2,187,826	\$28,177,473
Exploration costs	3,297,460	2,617	3,300,077
Balance at December 31, 2022	\$29,287,107	\$2,190,443	\$31,477,550

Exploration and Evaluation (“E&E”) assets consist of costs expended on the Corporation’s projects which are pending determination of technical feasibility and commercial viability.

### Cassiar Gold Project

On March 25, 2019, the Corporation entered into an Option Agreement (the “Cassiar Gold Option Agreement”) with Wildsky Resources Inc. (“Wildsky”) for an option to acquire a 100% interest in the Cassiar Gold project (the “Cassiar Gold Project”) by way of an all-share agreement. In order to exercise the option, the Corporation had to issue 11,640,000 Common Shares over 18 months. Pursuant to the Cassiar Gold Option Agreement the Corporation must also undertake exploration on the Cassiar Gold property and had to satisfy certain other conditions as follows:

- (a) Cassiar will expend at least \$400,000 on the planning, development and execution of the Cassiar 2019 work program, based on a mutually approved budget;
- (b) Six months after the transfer of the Common Shares, Wildsky will have the right to appoint one member to the board of directors of Cassiar;
- (c) Twelve months after the transfer of the Common Shares, Wildsky will have the right to appoint an additional person (for a total of two board members) to the board of directors of Cassiar;
- (d) Twelve months after the transfer of the Common Shares, Wildsky will have the right to appoint one person to the senior management team of Cassiar, on terms and conditions to be agreed upon by Cassiar and Wildsky, acting reasonably; and,
- (e) Wildsky being granted a 30% net profit interest on all minerals processed from Cassiar's tailings pond located on the Cassiar Gold Project, after capital payout of up to \$500,000.

During the year ended September 30, 2021, the Corporation satisfied all the requirements outstanding to Wildsky and the 100% interest in the Cassiar Gold Project was fully acquired by the Corporation. The deemed value of the exercise of the option was \$3,259,200 in Common Shares. Liabilities assumed by the Corporation were \$2,666,584 and related to asset retirement obligation (Note 9).

During the periods ended March 31, 2023, the Corporation incurred \$3,297,460 (2022 - \$2,116,154) exploration and evaluation costs for the project.

### Sheep Creek Gold District Project

The Sheep Creek Project consists of the Bayonne and Sheep Creek properties (collectively the “Sheep Creek Project”). On December 23, 2016, the Corporation entered into an option agreement with Yellowstone Resources Ltd. for the acquisition of 100% of the Sheep Creek Project, located in Salmo, British Columbia (the “Bayonne and Sheep Creek Option Agreement”).

Under the terms of the Bayonne and Sheep Creek Option Agreement and as amended on February 10, 2020, July 10, 2020, and February 15, 2021, the Corporation had the exclusive option to acquire:

## 7. EXPLORATION AND EVALUATION ASSETS (continued)

- the Bayonne property, by making payments to Yellowstone Resources Ltd. of an aggregate \$154,000 cash and aggregate issuance of 182,727 shares, paid in several installments over three years. The Corporation has paid in full these amounts during the year ended September 30, 2022.
- the Sheep Creek property by making payments to Yellowstone Resources Ltd. of an aggregate \$436,000 cash and aggregate issuance of 150,000 shares and 242,424 deferred payment shares, paid in several installments over five years.

During the year ended September 30, 2022 the Corporation paid \$100,000 in cash and issued 90,000 shares to satisfy the final payments under the Bayonne and Sheep Creek Option Agreement and acquired a 100% interest in the Sheep Creek Project.

During the periods ended March 31, 2023, the Corporation incurred \$2,617 (2022 - \$25,222) exploration and evaluation costs for the project.

## 8. LEASE OBLIGATION

	Lease Obligation
	\$
<b>Carrying Value</b>	
Balance as at September 30, 2021	-
Additions	179,691
Interest	4,297
Repayments	(32,292)
Balance as at September 30, 2022	151,696
Interest	5,028
Repayments	(48,439)
Balance as at March 31, 2023	108,285
Short term lease obligations	92,192
Long term lease obligations	16,093

The Corporation's lease relates to the corporation's office. A discount rate of 8.00% was used to determine the present value of the lease obligations.

## 9. ASSET RETIREMENT OBLIGATION ("ARO")

Cassiar has future obligations relating to retiring its exploration and evaluation assets at the Cassiar Property including dismantling, remediation, and treatment of the site. The exact nature and costs of the obligation are subject to change because of the ongoing changes of environmental requirements enacted by government agencies.

A continuity of the asset retirement obligation is as follows:

Balance at September 30, 2021	\$2,481,232
Accretion expense	26,549
Change in estimate	(248,725)
Balance at September 30, 2022	\$2,259,056
Accretion Expense	34,224
Balance at March 31, 2023	\$2,293,280

## 9. ASSET RETIREMENT OBLIGATION (“ARO”) (continued)

The total discounted cash flow estimated to settle the obligations as at March 31, 2023 was \$2,293,280 (September 30, 2022 – \$2,259,056) which was adjusted for inflation at the rate of 2% and then discounted at a risk free rate of 3.03%. Significant reclamation costs are expected to be incurred in 2029.

As at March 31, 2023, the Corporation had \$1,418,944 (September 30, 2022 - \$418,944) of reclamation bonds with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations. (Note 6)

## 10. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS

### Authorized

Unlimited number of common shares

The common shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued by the Corporation.

Common Shares		
	Number of Common Shares	Share capital
Balance at September 30, 2022	81,563,103	\$41,970,081
Warrant Exercises	555,275	333,165
Option Exercises	100,000	83,994
Balance at March 31, 2023	82,218,378	\$42,387,240
Warrants		
	Number of warrants	Share capital
Balance at September 30, 2022	15,363,957	\$3,758,702
Warrants expired	-4,322,143	-1,932,687
Balance at March 31, 2023	11,041,814	\$1,826,015
Total share capital at September 30, 2022		\$45,728,783
Balance at March 31, 2023		\$44,213,255

On October 30, 2022, 555,275 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$333,165 and issued 555,275 common shares. 4,322,143 common share purchase warrants expired unexercised.

On November 24, 2022, 100,000 stock options were exercised at a price of \$0.45. The Corporation received proceeds of \$45,000 and issued 100,000 Common Shares.

### Flow-through shares

During the year ended September 30, 2022, the Corporation raised \$11,079,040 on a CEE flow-through share basis and was required to incur a net total of \$11,079,040 of qualifying expenditures to renounce the tax deductions to investors. As at March 31, 2023 the Corporation still need to incur an additional \$600,575 (2022 – \$513,197) to meet its flow through share commitment. A flow-through share premium liability of \$Nil (September 30, 2022 – \$102,389) was recognized as the Corporation has incurred sufficient qualifying expenditures to offset the liability as at March 31, 2023. The accumulated flow-through share premium of \$Nil and \$102,389 (2022 - \$27,730 and \$96,942) was recognized during the three and six-months periods ended March 31, 2023 and 2022.

## 10. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS (continued)

### Stock option plan

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX-V (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX-V.

All options expire in five years and vest one-third immediately and one-third on the first and second anniversaries on the grant date respectively.

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

	Number of Options	Weighted Average Exercise Price
Exercisable as at September 30, 2021	2,496,657	\$0.77
Outstanding at September 30, 2021	4,156,000	\$0.71
Granted	2,580,000	\$0.69
Forfeited	(150,000)	\$0.68
Cancelled	(309,000)	\$1.42
Exercised	(183,332)	\$0.58
Exercisable as at September 30, 2022	3,912,325	\$0.68
Outstanding at September 30, 2022	6,093,668	\$0.67
Cancelled	(50,000)	\$0.79
Exercised	(100,000)	\$0.45
Exercisable as at March 31, 2023	4,490,328	\$0.68
Outstanding at March 31, 2023	5,943,668	\$0.68

During the period ended March 31, 2023, Nil options were issued (2022 – 650,000). At March 31, 2023, the weighted-average life of the options outstanding was 3.17 years (September 30, 2022 – 3.7 years).

Total share-based payments of \$159,784 and \$303,007 for the three and six-months periods ended March 31, 2023 (2022 – \$144,099 and \$288,198) was recognized based on the estimated fair value of the options on the grant date using the Black-Scholes option pricing model. Of the total share-based payments, \$51,049 and \$92,983 (2022 - \$10,411 and 20,821) were capitalized to E&E.

### Share unit plan

The Corporation has established a deferred share unit and restricted share unit plan (the "Unit Plan"), which provides for the grant of DSUs and RSUs to eligible directors, officers, employees, advisors and consultants of the Company. The Unit Plan provides for settlement through cash payment or the issuance of common shares. The form of settlement is at the option of the Corporation. The Corporation does not intend to make cash payments and there is no history of the Company making cash payments under the Unit plan and, as such, the DSUs and RSUs are accounted for within shareholders' equity. These common shares would be issued from the same 10% rolling pool as the common shares issued under the Corporation's Deferred Share Unit Plan and the Company's Share Option Plan. As DSUs and RSUs are expected to be settled with equity, an amount equal to compensation expense is initially credited to contributed surplus, recognized over the term of the vesting period, and transferred to share capital if and when the units are exercised. RSUs vest in three tranches, with all RSUs vesting no later than the second anniversary from the date of grant.

The Corporation has adopted its Share Unit Plan which received shareholder approval on March 16, 2022.

RSU and DSU movements during the period ended March 31, 2023 are as follows:

## 10. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS (continued)

	Number of RSUs
Outstanding at September 30, 2021	-
Granted	1,140,000
Exercised	(72,000)
Outstanding as at September 30, 2022	1,068,000
Cancelled	(44,000)
Outstanding at March 31, 2023	1,024,000
	Number of DSUs
Outstanding at September 30, 2021	-
Granted	744,000
Outstanding as at September 30, 2022	744,000
Cancelled	(16,000)
Outstanding at March 31, 2023	728,000

Total share-based payments of \$122,316 and \$209,531 for the three and six-months ended March 31, 2023 (2022 – \$Nil) was recognized based on the estimated fair value of the RSU and DSU of \$0.66 and \$0.79. Of the total share-based payments, \$28,125 and \$54,068 (2022 - \$Nil) were capitalized to E&E.

During the period ended March 31, 2023, \$71,460 (2022 - \$Nil) share based payments for year ended September 30, 2022 were reclassified to capitalized to E&E.

## 11. CAPITAL DISCLOSURES

The Corporation considers its capital to include shareholders' equity. The objectives of the Corporation are to attain a strong financial position from which the Corporation will be able to exhibit continued growth and obtain access to capital. The Corporation has no externally imposed restrictions.

The Corporation manages its capital structure and adjusts considering changes in economic conditions and risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Corporation may from time to time, issue shares, obtain debt financing, or adjust capital spending.

## 12. GENERAL AND ADMINISTRATIVE

General and administrative details for the three and six-months periods ended March 31, 2023 and 2022:

	Three months ended		Six months ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Management fees	\$113,811	\$153,835	\$233,192	\$278,079
Consulting	92,588	36,000	112,113	72,000
Travel and meals	1,519	21,572	\$3,267	21,745
Office and administrative	33,342	22,966	56,294	52,181
Marketing	147,031	101,332	539,324	146,196
Professional Fees	102,848	185,486	116,148	222,094
<b>Total</b>	<b>\$491,139</b>	<b>\$521,191</b>	<b>\$1,060,338</b>	<b>\$792,295</b>

### 13. RELATED PARTY TRANSACTIONS

All related party transactions are in the normal course of operations and initially recorded at fair value.

As at March 31, 2023, the Corporation had an amount of \$Nil (2022 - \$Nil) due to directors and officers included in trade and other payables.

During the three and six-months periods ended March 31, 2023:

An aggregate of \$69,999 and \$139,998 (2022 - \$63,307 and \$113,227) was paid for compensation as Vice President Exploration of the Corporation. The total amounts have been capitalized to E&E.

An aggregate of \$21,000 and \$42,000 (2022 - \$36,000 and \$69,000) in consulting fees was paid to a company owned by an officer of the Corporation for compensation as CFO.

An aggregate of \$71,250 and \$142,500 (2022 - \$59,750 and \$113,750) in consulting fees were paid to a company owned by an officer of the Corporation for compensation as CEO.

#### Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the period were as follows:

	Three Months Ended		Six Months Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Short-term compensation	\$162,249	\$246,301	\$324,498	\$383,221
Share-based payments	163,031	144,099	308,403	288,198
Capitalized share-based payments	33,591	10,410	60,924	20,821
<b>Total</b>	<b>\$358,871</b>	<b>\$400,810</b>	<b>\$693,825</b>	<b>\$692,240</b>

### 14. SUBSEQUENT EVENTS

On April 26, 2023, the Corporation entered into an agreement with Cormark Securities Inc., Canaccord Genuity Corp., and Red Cloud Securities Inc. to act as co-lead underwriters, and together with PI Financial Corp. (collectively, the "Underwriters") to purchase 12,700,000 charity flow-through units of the Corporation (the "Charity FT Unit") at a price of \$0.75 (the "Offering Price") per FT Unit, for aggregate gross proceeds to the Corporation of \$9,525,000 on a "bought deal" basis (the "Underwritten Offering").

The Corporation has granted to the Underwriters an option, exercisable for a period of 30 days after and including the closing date of the Underwritten Offering, to purchase up to an additional 1,905,000 Charity FT Units at the Offering Price to raise additional gross proceeds of up to \$1,428,750 to cover over-allotments, if any, and for market stabilization purposes.

On May 4, 2023, the Corporation completed the Underwritten Offering. The Corporation issued a total of 12,760,000 Charity FT Units at the Offering Price for aggregate gross proceeds of \$9,570,000. The Charity FT Units were sold by way of prospectus supplement filed in British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia on April 26, 2023.

Concurrent with the Underwritten Offering, the Company completed the first tranche (the "First Tranche") of a non-brokered private placement (the "Non-Brokered Offering", and together with the Underwritten Offering, the "Offering"). Under the First Tranche, the Company issued of 466,667 traditional flow-through units of the Corporation (each, a "Regular FT Unit", and together with the Charity FT Units, the "FT Units") at a price of \$0.75 per Regular FT Unit for aggregate gross proceeds of \$350,000. The First Tranche of the Non-Brokered Offering was completed by way of a private placement and the Regular FT Units, FT Shares and Warrants issued under the Non-Brokered Offering are subject to a 4 month and one-day hold period from the closing date.

#### 14. SUBSEQUENT EVENTS (continued)

Each FT Unit will consist of one common share of the Corporation to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each whole Warrant shall entitle the holder to purchase one non-flow-through common share of the Corporation (each, a "Warrant Share") at a price of \$0.70 at any time on or before that date which is 24 months after the closing date of the Offering.

Proceeds from the sale of FT Shares will be used to incur "Canadian Exploration Expenses" as defined in subsection 66.1(6) of the Income Tax Act and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act. Such proceeds will be renounced to the subscribers with an effective date not later than December 31, 2023, in the aggregate amount of not less than the total amount of gross proceeds raised from the issue of FT Shares. The Corporation intends to use the net proceeds raised from the Offering for the exploration of the Corporation's Cassiar Gold property in British Columbia, Canada.

As compensation for services in the Underwritten Offering, the Underwriters received a cash commission of \$573,525. In addition, the Underwriters received 764,700 non-transferable warrants exercisable at any time prior to the date that is 24 months from the closing date to acquire 764,700 common shares of the Corporation (the "Broker Warrant Shares") at an exercise price equal to \$0.50 per Broker Warrant Share. No finder's fees were paid in connection with the First Tranche.