



CASSIAR GOLD CORP.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

**AS AT AND FOR THE
THREE- AND NINE-MONTHS PERIODS ENDED JUNE 30, 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 June 30, 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	June 30, 2023 \$	September 30, 2022 \$
ASSETS			
CURRENT			
Cash and cash equivalents		9,325,007	8,589,522
Accounts Receivable		197,051	408,342
Prepays		673,368	193,419
TOTAL CURRENT ASSETS		10,195,426	9,191,283
NON-CURRENT			
Property and equipment	4	361,813	395,016
Right-of-use assets	5	82,358	149,742
Deposits	6	1,468,944	418,944
Exploration and evaluation assets	7	33,917,745	28,177,473
TOTAL ASSETS		46,026,286	38,332,458
LIABILITIES			
CURRENT			
Trade payables and accrued liabilities		1,724,402	2,470,798
Flow-through share liability	10	1,215,764	102,389
Short-term lease obligation	8	85,921	88,589
TOTAL CURRENT LIABILITIES		3,026,087	2,661,776
NON-CURRENT			
Long-term lease obligation	8	-	63,107
Assets retirement obligation	9	2,310,392	2,259,056
TOTAL LIABILITIES		5,336,479	4,983,939
SHAREHOLDERS' EQUITY			
Share capital	10	52,129,432	45,728,783
Contributed surplus		18,435,482	15,772,067
Deficit		(29,875,107)	(28,152,331)
TOTAL SHAREHOLDERS' EQUITY		40,689,807	33,348,519
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		46,026,286	38,332,458

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		Nine months ended	
	Note	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		\$	\$	\$	\$
Expenses					
General and administrative expenses	12	365,372	373,034	1,425,710	1,165,329
Stock-based compensation expenses	10	182,812	193,778	476,839	481,976
Depreciation	4,5	33,529	20,461	100,587	46,409
Total expenses		581,713	587,273	2,003,136	1,693,714
Interest income		(77,069)	(18)	(153,171)	(55)
Flow through share premium	10	(76,136)	(65,660)	(178,525)	(162,602)
Accretion	9	17,112	11,910	51,336	12,592
Net loss and comprehensive loss		445,620	533,505	1,722,776	1,543,649
Weighted average number of shares		90,831,526	67,756,698	84,979,112	64,853,016
Loss per share – basic and fully diluted		\$0.00	\$0.01	\$0.02	\$0.02

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
Common share issued, net costs		8,059,645	-	-	8,059,645
Net loss and comprehensive loss		-	-	(1,722,776)	(1,722,776)
Warrants issued	10	1,148,433	-	-	1,148,433
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	-	476,839	-	476,839
Capitalized share-based payments	10	-	292,883	-	292,883
Flow-through share discount	10	(1,291,901)	-	-	(1,291,901)
Balance as at June 30, 2023		52,129,432	18,435,482	(29,875,107)	40,689,807
Balance as at, September 30, 2021		32,921,848	11,347,662	(25,403,542)	18,865,968
Common share issued, net costs		6,407,200	-	-	6,407,200
Warrants issued		1,096,862	-	-	1,096,862
Restricted shares, vested and issued		49,680	-	-	49,680
Net loss and comprehensive loss		-	-	(1,543,649)	(1,543,649)
Warrants exercised		5,255,718	-	-	5,255,718
Warrants expired		(116,052)	116,052	-	-
Share-based payments		-	434,474	-	434,474
Capitalized share-based payments		-	31,232	-	31,232
Stock options exercised		203,464	(97,765)	-	105,699
Stock options forfeited		-	(2,177)	-	(2,177)
Property option payments		83,700	-	-	83,700
Flow-through share discount		(310,118)	-	-	(310,118)
Balance as at June 30, 2022		45,592,302	11,829,478	(26,947,191)	30,474,589

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

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

	Note	Three months ended		Nine months ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		\$	\$	\$	\$
CASH FLOWS RELATING TO OPERATING ACTIVITIES					
Net loss and comprehensive loss		(445,620)	(533,505)	(1,722,776)	(1,543,649)
Items not affecting cash:					
Share-based payments	10	182,812	193,778	476,839	481,977
Depreciation	4,5	33,529	20,460	100,587	46,408
Flow through share premium	10	(76,136)	(65,660)	(178,525)	(162,602)
Interest on lease liability		1,856	-	6,883	-
Interest income		(77,069)	-	(153,171)	-
Accretion	9	17,112	11,910	51,336	12,592
Change in non-cash working capital					
Accounts Receivable		(24,215)	(107,730)	280,143	(54,464)
Prepaid expenses		(175,916)	(119,009)	(479,950)	(392,439)
Deposits		(50,000)	-	(1,050,000)	-
Trade payables and accrued liabilities		849,662	862,744	(746,396)	517,032
Net cash used in operating activities		236,015	262,988	(3,415,030)	(1,095,145)
CASH FLOWS RELATING TO FINANCING ACTIVITIES					
Interest income received		16,849	-	84,319	-
Lease payments		(24,220)	(6,929)	(72,658)	(6,929)
Proceeds from share issuance, net of cost		9,208,078	7,504,062	9,208,078	7,504,062
Proceeds from options exercises	10	-	31,999	45,000	105,699
Proceeds from warrants exercises	10	-	1,343,404	333,165	5,255,718
Total change in financing activities		9,200,707	8,872,536	9,597,904	12,858,550
INVESTING					
Exploration and evaluation		(2,365,823)	(2,749,902)	(5,447,389)	(4,870,457)
Cash option payments		-	-	-	(100,000)
Total change in investing activities		(2,365,823)	(2,749,902)	(5,447,389)	(4,970,457)
Increase/(decrease) in cash and cash equivalents		7,070,899	6,385,622	735,485	6,792,948
Cash and cash equivalents, beginning		2,254,108	3,880,887	8,589,522	3,473,561
Cash and cash equivalents, ending		9,325,007	10,266,509	9,325,007	10,266,509

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 Suite 1000, Livingston Place W, 250 2nd St., Calgary, Alberta, T2P 0C1.

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 \$445,620 and \$1,722,776 (2022 - \$533,505 and \$1,543,649) and had positive cash flows relating to operating activities of \$236,015 (2022 - \$262,988) and negative cash flows of \$3,415,030 (2022 - \$1,095,145) for the three and nine-months periods ended June 30, 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 August 23, 2023.

4. PROPERTY AND EQUIPMENT

	Land	Buildings	Computers, Equipment & Vehicles	Total
	\$	\$	\$	\$
Cost				
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 June 30, 2023	28,993	380,706	260,286	669,985
Accumulated Depreciation				
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	-	23,128	10,075	33,203
Balance as at June 30, 2023	-	95,463	212,709	308,172
Net book value				
September 30, 2022	28,993	308,371	57,652	395,016
June 30, 2023	28,993	285,243	47,577	361,813

5. RIGHT-OF-USE ASSETS

	ROU \$
Cost	
Balance as at September 30, 2021	-
Additions	179,691
Balance as at September 30, 2022	179,691
Additions	-
Balance as at June 30, 2023	179,691
Accumulated Amortization	
Balance as at September 30, 2021	-
Charge for the year	29,949
Balance as at September 30, 2022	29,949
Charge for the period	67,684
Balance as at June 30, 2023	97,333
Net book value	
Balance as at September 30, 2022	149,742
Balance as at March 31, 2023	82,358

6. DEPOSITS

The Corporation's deposits include reclamation bonds for permits and license with banks in Canada and government of Canada. As at June 30, 2023, the Corporation had \$1,468,944 (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 periods ended June 30, 2023, \$500,000 of reclamation bonds were issued in October 2022, \$500,000 of reclamation bonds were issued in March 2023 and \$50,000 of reclamation bonds were issued in June 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	5,722,382	17,890	5,740,272
Balance at June 30, 2023	\$31,712,029	\$2,205,716	\$33,917,745

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 on acquisition and related to asset retirement obligation (Note 9).

During the periods ended June 30, 2023, the Corporation incurred \$5,722,382 (2022 - \$4,877,268) 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 June 30, 2023, the Corporation incurred \$17,890 (2022 - \$24,421) exploration and evaluation costs for the project.

8. LEASE OBLIGATION

	Lease Obligation
	\$
Carrying Value	
Balance as at September 30, 2021	-
Additions	179,691
Interest	4,297
Repayments	(32,292)
Balance as at September 30, 2022	151,696
Interest	6,883
Repayments	(72,658)
Balance as at June 30, 2023	85,921
Short term lease obligations	85,921
Long term lease obligations	-

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	51,336
Balance at June 30, 2023	\$2,310,392

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

The total discounted cash flow estimated to settle the obligations as at June 30, 2023 was \$2,310,392 (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 June 30, 2023, the Corporation had \$1,468,944 (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
Common share issued (c) (d)	13,496,666	8,974,067
Warrant Exercised (a)	555,275	333,165
Option Exercised (b)	100,000	83,994
Share issuance costs		(914,422)
Flow-through share discount		(1,291,901)
Balance at June 30, 2023	95,715,044	\$49,154,984

Warrants		
	Number of warrants	Share capital
Balance at September 30, 2022	15,363,957	\$3,758,702
Warrants issued (c) (d)	6,748,336	1,148,433
Warrants expired (a)	(4,322,143)	(1,932,687)
Balance at June 30, 2023	17,790,150	\$2,974,448
Total share capital at September 30, 2022		\$45,728,783
Total share capital at June 30, 2023		\$52,129,432

- (a) 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.
- (b) 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.
- (c) On May 4, 2023, the Corporation closed a bought deal offering of flow-through units (“FT Units”) of the Corporation by issuing 12,760,000 FT Units at a price of \$0.75 per FT Unit for gross proceeds of \$9,570,000 (the “Bought Deal

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

Offering”). Concurrent with the Bought Deal Offering, the Company closed a non-brokered private placement of 466,667 FT Units at a purchase price of \$0.75 per unit for total proceeds of \$350,000.

Each FT Unit consists of one common share of the Company issued on a “CEE flow-through” basis pursuant to the *Income Tax Act* (Canada) and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will be exercisable by the holder to acquire one common share at a price of \$0.70 for a period of 24 months from the date of issuance.

The Bought Deal Offering was completed by way of short form prospectus. In connection with the Bought Deal Offering, the underwriters were paid a cash commission of \$573,525 and were issued 764,700 non-transferable brokers warrants. Each broker warrant is exercisable to acquire one common share at an exercise price of \$0.50 per broker warrant share for a period of 24 months from the date of issuance.

A fair value of \$1,129,457 has been attributed to the Warrants based on the Black-Scholes option pricing model on the date of grant using the following assumptions:

Risk-free rate	4.22%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	81%
Weighted-average fair value	\$0.17
Expected Life	2 year

- (d) On June 5, 2023, the Corporation closed on a non-brokered private placement of 269,999 FT Units at a purchase price of \$0.75 per unit for total proceeds of \$202,500. Each FT unit consists of one common share of the Company issued on a “CEE flow-through” basis and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will be exercisable by the holder to acquire one common share at an exercise price of \$0.70 for a period of 24 months from the date of issuance.

A fair value of \$18,976 has been attributed to the Warrants based on the Black-Scholes option pricing model on the date of grant using the following assumptions:

Risk-free rate	4.22%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	79%
Weighted-average fair value	\$0.14
Expected Life	2 years

Flow-through shares

During the period ended June 30, 2023, the Corporation met its flow through share commitments related to the \$11,079,040 raised on a CEE flow-through share basis during the year ended September 30, 2022. The remaining \$102,389 flow-through share premium liability amortized during the period.

During the period ended June 30, 2023, the Corporation raised \$10,122,500 on a CEE flow-through share basis and was required to incur a net total of \$12,122,500 of qualifying expenditures to renounce the tax deductions to investors. As at June 30, 2023, the Corporation still needs to incur an additional \$9,516,414 to meet its flow through share commitment. A flow-through share premium liability of \$1,215,764 was recognized as the Corporation has not incurred sufficient qualifying expenditures to offset the liability as at June 30, 2023.

The accumulated flow-through share premium of \$76,136 and \$178,525 (2022 - \$65,660 and \$162,602) was recognized during the three and nine- months periods ended June 30, 2023.

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	(248,000)	\$1.16
Exercised	(100,000)	\$0.45
Exercisable as at June 30, 2023	4,292,328	\$0.65
Outstanding at June 30, 2023	5,745,668	\$0.66

During the period ended June 30, 2023, Nil options were issued (2022 – 650,000). At June 30, 2023, the weighted-average life of the options outstanding was 3.02 years (September 30, 2022 – 3.7 years).

Total share-based payments of \$134,868 and \$437,875 for the three and nine-months periods ended June 30, 2023 (2022 – \$204,189 and \$513,208) 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, \$46,247 and \$139,230 (2022 - \$10,411 and 31,232) 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 June 30, 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 June 30, 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 June 30, 2023	728,000

Total share-based payments of \$122,316 and \$331,847 for the three and nine-months ended June 30, 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 \$82,193 (2022 - \$Nil) were capitalized to E&E.

During the period ended June 30, 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 nine-months periods ended June 30, 2023 and 2022:

	Three months ended		Nine months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Management fees	\$107,124	\$147,446	\$340,316	\$425,525
Consulting	87,962	24,000	200,075	96,000
Travel and meals	2,674	40,511	5,941	62,257
Office and administrative	35,150	35,254	91,444	87,435
Marketing	96,049	89,623	635,373	235,819
Professional Fees	36,413	36,200	152,561	258,293
Total	\$365,372	\$373,034	\$1,425,710	\$1,165,329

13. RELATED PARTY TRANSACTIONS

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

As at June 30, 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 nine-months periods ended June 30, 2023:

An aggregate of \$86,014 and \$226,012 (2022 - \$70,000 and \$183,227) 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 \$63,000 (2022 - \$37,500 and \$106,500) 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 \$213,750 (2022 - \$71,250 and \$185,000) 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		Nine Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Short-term compensation	178,264	\$315,994	\$502,762	\$611,971
Share-based payments	150,460	144,099	458,863	481,976
Capitalized share-based payments	23,697	10,411	84,620	31,232
Total	\$352,421	\$470,504	\$1,046,245	\$1,125,179

14. SUBSEQUENT EVENTS

None