



CASSIAR GOLD CORP.

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

AS AT AND FOR THE
THREE AND NINE-MONTHS PERIODS ENDED JUNE 30, 2022 AND 2021

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, 2022, 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	June 30, 2022	September 30, 2021
	\$	\$
ASSETS		
CURRENT		
Cash	10,266,509	3,473,561
Receivables	199,542	145,078
Prepays	466,669	74,230
TOTAL CURRENT ASSETS	10,932,720	3,692,869
NON-CURRENT		
PROPERTY AND EQUIPMENT (Note 4)	407,990	446,911
EXPLORATION AND EVALUATION ASSETS (Note 5)	22,628,904	17,543,515
DEPOSITS	418,944	418,944
RIGHT-OF-USE ASSETS (Note 6)	172,203	-
TOTAL NON-CURRENT ASSETS	23,628,041	18,409,370
TOTAL ASSETS	34,560,761	22,102,239
LIABILITIES		
CURRENT		
Trade and other payables	1,154,106	637,074
Flow-through share premium liability (Note 9)	265,481	117,965
Short-term lease obligation (Note 8)	86,840	-
TOTAL CURRENT LIABILITIES	1,506,427	755,039
NON-CURRENT		
Asset retirement obligation (Note 7)	2,493,824	2,481,232
Long-term lease obligation (Note 8)	85,921	-
TOTAL NON-CURRENT LIABILITIES	2,579,745	2,481,232
TOTAL LIABILITIES	4,086,172	3,236,271
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 9)	45,592,302	32,921,848
CONTRIBUTED SURPLUS	11,829,478	11,347,662
DEFICIT	(26,947,191)	(25,403,542)
TOTAL SHAREHOLDERS' EQUITY	30,474,589	18,865,968
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	34,560,761	22,102,239

GOING CONCERN (Note 2)

SUBSEQUENT EVENTS (Note 12)

Approved by the Board of Directors:

"Marco Roque

Marco Roque, Director

"Stephen Letwin"

Stephen Letwin, Director

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

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

	Three months ended		Nine months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Expenses				
Operating	-	-	-	20,210
General and administrative (Note 10)	373,034	201,388	1,165,329	1,348,846
Share-based payments (Note 9)	193,778	165,841	481,976	419,811
Depreciation (Note 4)	20,461	15,316	46,409	45,947
Total expenses	587,273	382,545	1,693,714	1,834,814
Other income	(18)	(31)	(55)	273
Flow through share premium (Note 9)	(65,660)	(196,452)	(162,602)	(457,523)
Accretion (Note 7)	11,910	56,004	12,592	168,012
Net loss and comprehensive loss	533,505	242,066	1,543,649	1,545,576
Weighted average number of shares	67,756,698	54,346,435	64,853,016	53,281,367
Basic and diluted loss per common share	(0.01)	(0.00)	(0.02)	(0.03)

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

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

		Share Capital	Contributed	Deficit	Total
	Note	\$	Surplus	\$	\$
		\$	\$	\$	\$
Balance as at, September 30, 2021		32,921,848	11,347,662	(25,403,542)	18,865,968
Net loss and comprehensive loss		-	-	(1,543,649)	(1,543,649)
Common shares issued, net costs	9	6,407,200	-	-	6,407,200
Warrants Issued	9	1,096,862	-	-	1,096,862
Warrants expired	9	(116,052)	116,052	-	-
Warrants exercised	9	5,255,718	-	-	5,255,718
Share-based payments	9	-	434,474	-	434,474
Capitalized share-based payments	9	-	31,232	-	31,232
Options exercised	9	203,464	(97,765)	-	105,699
Stock options forfeited	9	-	(2,177)	-	(2,177)
Restricted shares, vested and issued	9	49,680	-	-	49,680
Property option payments	9	83,700	-	-	83,700
Flow-through share discount	9	(310,118)	-	-	(310,118)
Balance as at, June 30, 2022		36,892,309	11,829,478	(26,947,191)	30,474,589
Balance as at, September 30, 2020		22,341,107	9,698,737	(23,800,588)	8,239,256
Net loss and comprehensive loss		-	-	(1,545,576)	(1,545,576)
Common shares issued, net costs		2,995,684	-	-	2,995,684
Warrants issued		2,132,260	-	-	2,132,260
Warrants expired		(419,005)	419,005	-	-
Stock options forfeited		-	(24,767)	-	(24,767)
Property option payments		3,259,200	-	-	3,259,200
Share-based payments		-	444,577	-	444,577
Capitalized share-based payments		-	55,641	-	55,641
Balance as at, June 30, 2021		30,309,246	10,593,193	(25,346,164)	15,556,275

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		Nine Months	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	(533,505)	(242,066)	(1,543,649)	(1,545,576)
Items not affecting cash:				
Share-based payments	193,778	165,841	481,977	419,810
Depreciation and depletion (Note 4)	20,460	15,316	46,408	45,947
Flow-through share premium	(65,660)	(196,451)	(162,602)	(457,524)
Accretion (Note 7)	11,910	56,004	12,592	168,012
Change in non-cash working capital				
Receivables	(107,730)	(22,027)	(54,464)	63,590
Prepays	(119,009)	(2,330)	(392,439)	16,660
Deposits	-	(24,500)	-	(24,500)
Trade and other payables	862,744	40,426	517,032	(389,884)
Net cash used in operating Activities	(262,988)	(209,787)	(1,095,145)	(1,703,465)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share and warrant issuance, net of costs (Note 9)	7,504,062	-	7,504,062	6,057,349
Proceeds from warrant exercises (Note 9)	1,343,404	-	5,255,718	-
Proceeds from option exercises (Note 9)	31,999	-	105,699	-
Net cash generated from financing activities	8,879,465	-	12,865,479	6,057,349
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation	(2,749,902)	(1,105,304)	(4,870,457)	(2,348,395)
Cash option payments	-	-	(100,000)	(136,000)
Right-of-use assets (Note 8)	(6,929)	-	(6,929)	-
Net cash used in investing activities	(2,756,831)	(1,105,304)	(4,977,386)	(2,484,395)
INCREASE (DECREASE) IN CASH FOR THE PERIOD	6,385,622	(1,315,091)	6,792,948	1,869,489
CASH – BEGINNING OF PERIOD	3,880,887	5,146,918	3,473,561	1,962,338
CASH – END OF PERIOD	10,266,509	3,831,827	10,266,509	3,831,827

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 “Cassiar”) 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 \$533,505 and \$1,543,649 (2021 - \$242,066 and \$1,545,576) and had negative cash flows relating to operating activities of \$262,988 and \$1,095,145 (2021 - \$209,787 and \$1,703,465) for the three and nine-months periods ended June 30, 2022 and 2021. 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, 2021.

3. BASIS OF PREPARATION (continued)

The disclosures herein are incremental to those included with the audited annual financial statements as at and for the year ended September 30, 2021 and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2021. These Financial Statements were authorized for issue by the board of directors on August 24, 2022.

4. PROPERTY AND EQUIPMENT

	Land \$	Buildings \$	Computers, Equipment & Vehicles \$	Total \$
Balance as at September 30, 2021 and June 30, 2022	28,993	380,706	260,286	669,985
Accumulated Depreciation				
Balance as at September 30, 2021	-	38,071	185,003	223,074
Charge for the period	-	25,698	13,223	38,921
Balance as at June 30, 2022	-	63,769	198,226	261,995
Net book value				
September 30, 2021	28,993	342,635	75,283	446,911
June 30, 2022	28,993	316,937	62,060	407,990

5. 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
Exploration costs	4,877,268	24,421	4,901,689
Cash option payments	-	100,000	100,000
Share option payments	-	83,700	83,700
Balance at June 30, 2022	\$20,442,437	\$2,186,467	\$22,628,904

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

During the year ended September 30, 2021, the Corporation acquired 100% interest in the Cassiar Gold Project. Proceeds for the asset acquisition were \$3,259,200 settled in shares of the Corporation. Liabilities assumed by the Corporation were \$2,666,584 and related to asset retirement obligation (Note 6).

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 Bayonne and Sheep Creek properties, located in Salmo, British Columbia (the “Bayonne and Sheep Creek Option Agreement”).

5. EXPLORATION AND EVALUATION ASSETS (continued)

Under the terms of the Bayonne and Sheep Creek Option Agreement, the Corporation has the exclusive option to acquire:

- the Bayonne Property, by making payments to Yellowstone Resources Ltd. of an aggregate \$194,000 cash and aggregate issuance of 110,000 shares, paid in several installments over three years.
- the Sheep Creek property by making payments to Yellowstone Resources Ltd. of an aggregate \$500,000 cash and aggregate issuance of 210,000 shares, paid in several installments over five years.

During the period ended June 30, 2022, the Corporation made the final option payment of \$100,000 and issued 90,000 shares to acquire 100% interest in the Sheep Creek Gold District Project.

6. RIGHT-OF-USE ASSETS

	Office \$
Cost	
Balance as at September 30, 2021	-
Additions	179,690
Balance as at June 30, 2022	179,690
Accumulated Amortization	
Balance as at September 30, 2021	-
Charge for the period	7,487
Balance as at June 30, 2022	7,487
Net book value	
September 30, 2021	-
June 30, 2022	172,203

7. ASSET RETIREMENT OBLIGATION (“ARO”)

Cassiar (2020) 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	35,730
Change in estimate	(23,138)
Balance at June 30, 2022	\$ 2,493,824

The total undiscounted cash flow estimated to settle the obligations as at June 30, 2022 was \$2,451,948 (2021 – \$ nil) which was adjusted for inflation at the rate of 2% and then discounted at a risk free rate of 1.07%. Significant reclamation costs are expected to be incurred in 2029.

As at June 30, 2022, the Corporation had \$418,944 (September 30, 2021 - \$45,000) 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).

8. LEASE OBLIGATION

	Office \$
Carrying Value	
Balance as at September 30, 2021	-
Additions	179,690
Interest	1,144
Repayments	(8,073)
Balance at June 30, 2022	172,761
Short term lease obligations	86,840
Long term lease obligations	85,921

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

9. 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, 2021	60,179,767	\$24,899,843
Shares issued	8,346,142	8,346,142
Warrants exercised	8,087,034	8,157,936
Options exercised	183,332	203,464
Share option payments	90,000	83,700
Restricted share units issued	72,000	49,680
Share issue costs		(842,080)
Warrant allocation		(1,096,862)
Flow-through share discount		(310,118)
Balance at June 30, 2022	76,958,275	\$39,491,705

Warrants		
	Number of warrants	Share capital
Balance at September 30, 2021	24,802,821	\$8,022,005
Warrants issued	4,173,071	1,096,862
Warrants expired	(560,000)	(116,052)
Warrant exercise	(8,087,034)	(2,902,218)
Balance at June 30, 2022	20,328,858	\$5,801,075

Total share capital at September 30, 2021	\$32,921,848
Total share capital at June 30, 2022	\$45,592,302

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

On November 22, 2021, 36,000 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$21,600 and issued 36,000 common shares.

On November 29, 2021, 260,000 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$156,000 and issued 260,000 common shares.

On December 9, 2021, 400,000 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$240,000 and issued 400,000 common shares.

On December 17, 2021, 106,500 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$63,900 and issued 106,500 common shares.

On December 20, 2021, 111,111 common share purchase warrants were exercised at a price of \$0.75 and 522,000 common share purchase warrants were exercised at a price of \$0.85. The Corporation received aggregate proceeds of \$527,033 and issued 633,111 common shares.

On December 29, 2021, 756,857 common share purchase warrants were exercised at a price of \$0.60 and 83,333 common share purchase warrants were exercised at a price of \$0.675. The Corporation received aggregate proceeds of \$510,364 and issued 840,190 common shares.

On January 6, 2022, 100,000 stock options that were issued on June 24, 2019 were exercised at a price of \$0.50 which. The Corporation received proceeds of \$50,000 and issued 100,000 common shares.

On January 10, 2022, 388,283 common share purchase warrants were exercised at a price of \$0.60 and 150,000 common share purchase warrants were exercised at a price of \$0.70. The Corporation received aggregate proceeds of \$337,970 and issued 538,283 common shares.

On January 19, 2022, 493,158 common share purchase warrants were exercised at a price of \$0.60 and 29,166 common share purchase warrants were exercised at a price of \$0.90. The Corporation received aggregate proceeds of \$322,144 and issued 522,324 common shares.

On January 21, 2022, 236,000 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$141,600 and issued 236,000 common shares.

On February 3, 2022, 150,000 common share purchase warrants were exercised at a price of \$0.60 and 7,142 common share purchase warrants were exercised at a price of \$0.90. The Corporation received aggregate proceeds of \$96,428 and issued 157,142 common shares.

On February 4, 2022, the Corporation issued 90,000 common shares valued at a market price of \$0.93 as per the Bayonne and Sheep Creek Property option agreement signed on December 23, 2016 and amended by amending agreements dated February 10, 2020, July 10, 2020 and February 15, 2021 and as per TSX-V approval received on February 6, 2017.

On February 22, 2022, 320,000 common share purchase warrants were exercised at a price of \$0.60, 400,000 common share purchase warrants were exercised at a price of \$0.675, 243,888 common share purchase warrants were exercised at a price of \$0.70 and 20,833 common share purchase warrants were exercised at a price of \$0.90. The Corporation received aggregate proceeds of \$651,471 and issued 984,721 common shares.

On March 16, 2022, 24,328 common share purchase warrants were exercised at a price of \$0.60, 1,333 common share purchase warrants were exercised at a price of \$0.70 and 372,500 common share purchase warrants were exercised at a price of \$0.90. The Corporation received aggregate proceeds of \$350,780 and issued 398,161 common shares.

On March 23, 2022, 70,000 common share purchase warrants were exercised at a price of \$0.60. The Corporation received proceeds of \$42,000 and issued 70,000 common shares.

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

On March 29, 2022, 586,429 common share purchase warrants were exercised at a price of \$0.60 and 141,666 common share purchase warrants were exercised at a price of \$0.70. The Corporation received aggregate proceeds of \$451,024 and issued 728,095 common shares.

On April 11, 2022, 30,000 stock options that were issued on November 15, 2021 were exercised. The Corporation issued 30,000 common shares and received proceeds of \$23,700.

On April 12, 2022, 399,657 common share purchase warrants were exercised at a price of \$0.60. The Corporation received aggregate proceeds of \$239,794 and issued 399,657 common shares.

On April 19, 2022, 454,857 common share purchase warrants were exercised at a price of \$0.60, 100,000 common share purchase warrants were exercised at a price of \$0.675 and 16,666 common share purchase warrants were exercised at a price of \$0.90. The Corporation received aggregate proceeds of \$355,414 and issued 571,523 common shares.

On April 19, 2022, 53,332 stock options that were issued on March 22, 2021 were exercised. The Corporation issued 53,332 common shares and received proceeds of \$31,999.

On May 5, 2022, 200,000 common share purchase warrants were exercised at a price of \$0.60. The Corporation received aggregate proceeds of \$120,000 and issued 200,000 common shares.

On May 12, 2022, 271,400 common share purchase warrants were exercised at a price of \$0.60. The Corporation received aggregate proceeds of \$162,840 and issued 271,400 common shares.

On May 18, 2022, 400,594 common share purchase warrants were exercised at a price of \$0.60. The Corporation received aggregate proceeds of \$240,356 and issued 400,594 common shares.

On June 6, 2022, 72,000 restricted shares units were settled by issuing common shares valued at a market price of \$0.69.

On June 8, 2022, the Corporation closed a bought deal offering of flow-through units (“FT Units”) of the Corporation by issuing 8,346,142 FT Units at a price of \$1.00 per FT Unit for gross proceeds of \$8,346,142 (including the partial exercise of the Underwriters’ over-allotment option). Each FT Unit consists of one common share of the Corporation 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 will be exercisable by the holder to acquire one common share of the Corporation at a price of \$1.05 for a period of 24 months following the date closing date. The securities are subject to a four-month hold period under applicable securities laws.

The offering was completed by way of short form prospectus. In connection with the offering, the underwriters were paid a cash commission of \$490,354 and were issued 490,354 non-transferable brokers warrants. Each broker warrant is exercisable to acquire one common share of the Corporation at an exercise price of \$1.00 per broker warrant share for a period of 24 months from the date of issue.

Warrants vest immediately. A fair value of \$1,096,862 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	3.14%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	88%
Weighted-average fair value	\$0.26
Expected Life	2 year

On June 23, 2022, 333,333 common share purchase warrants were exercised at a price of \$0.675. The Corporation received aggregate proceeds of \$225,000 and issued 333,333 common shares.

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

Flow-through shares

During the period ended June 30, 2022 the Corporation met its flow through share commitment related to the \$8,199,833 raised on a CEE flow-through basis during the year ended September 30, 2021. The remaining \$21,023 flow-through share premium liability amortized during the period.

During the period ended June 30, 2022, the Corporation raised \$8,346,142 on a CEE flow-through share basis and was required to incur a net total of \$8,346,142 of qualifying expenditures to renounce the tax deductions to investors. The Corporation still needs to incur an additional \$7,144,842 to meet its flow through share commitment. A flow-through share premium liability of \$265,481 was recognized as the Corporation has not met its flow-through share commitment by incurring sufficient qualifying expenditures as at June 30, 2022. The accumulated flow-through share premium of \$44,637 was recognized during the year.

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
Issued	650,000	\$0.79
Expired/Cancelled	(147,000)	\$1.25
Exercised	(183,332)	\$0.58
Exercisable as at June 30, 2022	3,070,991	\$0.72
Outstanding at June 30, 2022	4,475,668	\$0.71

During the period ended June 30, 2022, 650,000 options were issued to employees, officers, directors and consultants of the corporation (2021 – 1,764,000).

On January 6, 2022 the Corporation received an exercise notice for 100,000 stock options that were issued with on June 24, 2019. The Corporation issued 100,000 common shares and received proceeds of \$50,000.

On April 11, 2022 the Corporation received an exercise notice for 30,000 stock options that were issued with on November 15, 2021. The Corporation issued 4,000 common shares and received proceeds of \$23,700.

On April 19, 2022 the Corporation received an exercise notice for 53,332 stock options that were issued with on March 22, 2021. The Corporation issued 53,332 common shares and received proceeds of \$31,999.

During the period ended June 30, 2022, 147,000 options expired unexercised.

At June 30, 2022, the weighted-average life of the options outstanding was 3.25 years (2021 – 2 years).

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

The fair value of options is estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

	2021
Risk-free interest rate	1.48%
Expected stock price volatility*	134%
Expected life	5 years
Expected dividend yield	-
Fair value per option granted	\$0.69
Forfeiture rate	12%

Share-based payments expense of \$193,778 and \$481,976 for the three and nine-months period ended June 30, 2022 (2021 – \$165,841 and \$419,811) was recognized based on the estimated fair value of the options on the grant date in accordance with the fair value method of accounting for share-based payments and recorded over the vesting period of the options. Share-based payments of \$10,411 and \$31,232 (2021 - \$26,184 and \$55,641) were capitalized to E&E. The Corporation also recognized a recovery of \$726 and \$2,177 (2021 - \$14,388 and \$24,767) in share-based payments expense due to forfeited options during the year.

10. GENERAL AND ADMINISTRATIVE

General and administrative details periods ended June 30:

	3 Months		9 Months	
	2022	2021	2022	2021
Management fees	\$ 147,446	\$ 87,000	\$ 425,525	\$ 320,500
Consulting	24,000	41,175	96,000	348,675
Travel & Meals	40,511	-	62,257	7,409
Office & Administrative	35,254	16,443	87,435	46,897
Marketing	89,623	38,491	235,819	532,644
Professional Fees	36,200	18,279	258,293	92,721
Total	\$ 373,034	\$ 201,388	\$ 1,165,329	\$ 1,348,846

11. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere, all related party transactions are in the normal course of operations.

As at June 30, 2022, the Corporation had an amount of \$nil (2021 - \$36,000) due to directors and officers included in trade and other payables.

During the three and nine-months periods ended June 30, 2022 the Corporation paid \$70,000 and \$183,227 (2021 - \$45,000 and \$135,000) to an officer for compensation as Vice President Exploration of the Corporation. Costs associated with exploration costs of \$nil and \$nil (2021 - \$1,359 and \$10,402) was paid to an officer of the Corporation and was capitalized as exploration costs.

An aggregate of \$37,500 and \$106,500 (2021 - \$33,000 and \$88,500) 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 \$185,000 (2021 - \$54,000 and \$162,000) in consulting fees were paid to a company owned by an officer of the Corporation for compensation as CEO and President of the Corporation.

11. RELATED PARTY TRANSACTIONS

An aggregate of \$50,000 and \$137,244 (2021 - \$nil and \$nil) was paid to an officer of the Corporation for compensation as VP Investor Relations and Communications. Costs associated with general and administrative costs of \$737 and \$6,067 (2021 - \$nil and \$nil) was reimbursed to an officer of the Corporation.

Costs associated with general and administrative costs of \$15,740 and \$18,060 (2021 - \$nil and \$nil) was reimbursed to a director of the Corporation.

Compensation of key management personnel

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

	3 Months		9 Months	
	2022	2021	2022	2021
Short-term compensation	\$ 315,994	\$ 132,000	\$ 611,971	\$ 430,500
Share-based payments	144,099	165,841	481,976	419,811
Capitalized share-based payments	10,411	26,184	31,232	55,641
Total	\$ 470,504	\$ 324,025	\$ 1,125,179	\$ 905,952

12. SUBSEQUENT EVENTS

On July 12, 2022, the Corporation appointed James Maxwell to the Corporation's board of directors and Wilson Jin resigned as director of the Corporation.

On July 28, 2022 the Corporation closed first tranche of a non-brokered private placement by issuing 1,163,570 flow-through units ("FT Units") at a price of \$0.70 per FT Unit for gross proceeds of \$814,500. Each FT Unit consists of one common share of the Corporation 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 will be exercisable by the holder to acquire one common share of the Corporation at a price of \$0.90 for a period of 24 months following the date closing date. The securities are subject to a four-month hold period under applicable securities laws.

On August 4, 2022 the Corporation closed a second tranche of a non-brokered private placement by issuing 2,740,570 flow-through units ("FT Units") at a price of \$0.70 per FT Unit for gross proceeds of \$1,918,400. Each FT Unit consists of one common share of the Corporation 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 will be exercisable by the holder to acquire one common share of the Corporation at a price of \$0.90 for a period of 24 months following the date closing date. The securities are subject to a four-month hold period under applicable securities laws.