CASSIAR GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

EXPRESSED IN CANADIAN DOLLARS

To the Shareholders of Cassiar Gold Corp.:

We have audited the consolidated financial statements of Cassiar Gold Corp. (the "Corporation"), which comprise the consolidated statements of financial position as at September 30, 2023 and September 30, 2022, and the consolidated statements of net loss and other comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at September 30, 2023 and September 30, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Corporation incurred a net loss and had negative cash flows relating to operating activities during the year ended September 30, 2023. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description

Exploration and Evaluation Assets Impairment Indicator Assessment

The net book valuation of exploration and evaluation assets amounted to $39,343,082 as at September 30, 2023. At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Management assesses exploration and evaluation assets for impairment based on the following indicators, but not limited to:

(i) The period for which the entity has the right to explore in the specific area has expired during the year or will expire in the near future;
(ii) Substantive expenditure on further exploration for an evaluation of mineral resources in the specific area is neither budgeted nor planned;
(iii) Sufficient data exists to determine that extracting the resources will not be technically feasible or commercially viable; and
(iv) Facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

No impairment indicators were identified by management as at September 30, 2023.

We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgements made by management in their assessment of indicators of impairment related to exploration and evaluation assets. This resulted in a high degree of subjectivity in performing audit procedures related to these judgements applied by management.

Refer to Note 8 Exploration and Evaluation Assets.

Audit Response

We responded to this matter by performing audit procedures in relation to the impairment indicator assessment for exploration and evaluation assets. Out audit work in relation to this included, but was not restricted to the following:

- Assessed the judgment made by management in determining the impairment indicators, which included the following:

    i) Obtained evidence to support the existence of the right of the Company for exploration the areas and claim expiration by reference to public government registries;
    ii) Evaluated board minutes, press releases, and work completed in the current year to obtain evidence of continuing and planned exploration expenditures; and
    iii) Assessed whether there are any indications or if other facts and circumstances exist that may suggest the carrying amount exceeds the recoverable amount, based on evidence obtained in other areas of the audit.
    iv) Assessed the appropriateness of the related disclosures in Note 8 of the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in the internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation procedures public disclosure about or when, in extreme rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jenny Lee.

MNP LLP

Vancouver, British Columbia
January 24, 2024

Chartered Professional Accountants

CASSIAR GOLD CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Note	September 30, 2023 $	September 30, 2022 $
ASSETS			
CURRENT			
Cash and cash equivalents		4,499,192	8,589,522
Other receivables		295,488	408,342
Prepaids		282,693	193,420
TOTAL CURRENT ASSETS		5,077,373	9,191,284
NON-CURRENT			
Property and equipment	5	350,745	395,016
Right-of-use assets	6	59,897	149,742
Deposits	7	1,468,944	418,944
Exploration and evaluation assets	8	39,343,082	28,177,473
TOTAL ASSETS		**46,300,041**	**38,332,459**
LIABILITIES			
CURRENT			
Trade payables and accrued liabilities		1,827,973	2,470,799
Flow-through share liability	11	634,979	102,389
Short-term lease obligation	9	63,107	88,589
TOTAL CURRENT LIABILITIES		2,526,059	2,661,777
NON-CURRENT			
Long-term lease obligation	9	-	63,107
Asset retirement obligation	10	2,811,990	2,259,056
TOTAL LIABILITIES		5,338,049	4,983,940
SHAREHOLDERS' EQUITY			
Share capital	11	52,063,293	45,728,783
Contributed surplus		18,791,011	15,772,067
Deficit		(29,892,312)	(28,152,331)
TOTAL SHAREHOLDERS' EQUITY		40,961,992	33,348,519
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**46,300,041**	**38,332,459**

NATURE OF OPERATIONS (Note 1)
GOING CONCERN (Note 2)
SUBSEQUENT EVENTS (Note 18)

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

Approved by the Board of Directors:

“Marco Roque”	“Stephen Letwin”
Marco Roque. Director	Stephen Letwin, Director

CASSIAR GOLD CORP.
Consolidated Statements of Net Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		For Years Ended September 30	
		2023	**2022**
	Note	**$**	**$**
Expenses			
General and administrative	15	1,834,405	1,564,241
Share-based compensation	11	686,129	1,401,916
Depreciation	5,6	134,116	81,844
Total expenses		2,654,650	3,048,001
Interest income		(223,807)	(67)
Flow through share premium	11	(759,311)	(325,694)
Accretion	10	68,449	26,549
Net loss and comprehensive loss		**1,739,981**	**2,748,789**
Weighted average number of shares		**87,740,092**	**68,710,814**
Loss per share – basic and fully diluted		**$0.02**	**$0.04**

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

CASSIAR GOLD CORP.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Note	Share Capital	Contributed Surplus	Deficit	Total
		$	$	$	$
Balance as at, September 30, 2021		32,921,848	11,347,662	(25,403,542)	18,865,968
Net loss and comprehensive loss		-	-	(2,748,789)	(2,748,789)
Common share issued, net costs	11	8,556,073	-	-	8,556,073
Warrants issued	11	1,690,952	-	-	1,690,952
Warrants expired	11	(3,003,549)	3,003,549	-	-
Warrants exercised	11	5,529,533	-	-	5,529,533
Stock options exercised	11	203,464	(97,765)	-	105,699
Stock options forfeited	11	-	(65,348)	-	(65,348)
Property option payments	11	83,700	-	-	83,700
Restricted share units issued	11	56,880	614,198	-	671,078
Share-based payments	11	-	796,186	-	796,186
Capitalized share-based payments	11	-	173,585	-	173,585
Flow-through share discount	11	(310,118)	-	-	(310,118)
Balance as at September 30, 2022		**45,728,783**	**15,772,067**	**(28,152,331)**	**33,348,519**
Net loss and comprehensive loss		-	-	(1,739,981)	(1,739,981)
Common share issued, net costs	11	8,056,045	-	-	8,056,045
Warrants issued	11	1,148,433	-	-	1,148,433
Warrants exercised	11	333,165	-	-	333,165
Warrants expired	11	(2,796,473)	2,796,473	-	-
Stock options exercised	11	83,994	(38,994)	-	45,000
Restricted share units issued	11	446,060	(446,060)	-	-
Deferred share units issued	11	355,187	(355,187)	-	-
Share-based payments	11	-	686,129	-	686,129
Capitalized share-based payments	11	-	376,583	-	376,583
Flow-through share discount	11	(1,291,901)	-	-	(1,291,901)
Balance as at September 30, 2023		**52,063,293**	**18,791,011**	**(29,892,312)**	**40,961,992**

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

CASSIAR GOLD CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

		For Years Ended September 30	
		2023	**2022**
	Note	**$**	**$**
CASH FLOWS RELATING TO OPERATING ACTIVITIES			
Net loss and comprehensive loss		(1,739,981)	(2,748,789)
Items not affecting cash:			
Share-based payments	11	686,129	1,401,916
Depreciation	4,5	134,116	81,844
Flow through share premium	11	(759,311)	(325,694)
Interest on lease liability		8,288	4,297
Interest income		(223,807)	-
Accretion	10	68,449	26,549
Change in non-cash working capital			
Other receivables		146,478	(263,264)
Prepaid expenses		(89,273)	(119,190)
Deposits		(1,050,000)	-
Trade payables and accrued liabilities		(642,826)	1,833,725
Net cash used in operating activities		(3,461,738)	(108,606)
CASH FLOWS RELATING TO FINANCING ACTIVITIES			
Interest income received		190,183	-
Lease payments		(96,877)	(32,292)
Proceeds from share and warrants issuance, net of cost		9,204,478	10,247,025
Proceeds from options exercised	11	45,000	105,699
Proceeds from warrants exercised	11	333,165	5,529,533
Net cash generated from financing activities		9,675,949	15,849,965
CASH FLOWS RELATING TO INVESTING ACTIVITIES			
Investment in exploration and evaluation assets	8	(10,304,541)	(10,525,398)
Cash option payments		-	(100,000)
Net cash used in investing activities		(10,304,541)	(10,625,398)
Increase/(decrease) in cash for the year		(4,090,330)	5,115,961
CASH & CASH EQUIVALENTS - BEGINNING OF YEAR		8,589,522	3,473,561
CASH & CASH EQUIVALENTS - END OF YEAR		4,499,192	8,589,522

The accompanying notes are an integral part of these 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 the "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 2800 Park Place, 666 Burrard Street, Vancouver, BC, V6C 2Z7.

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

2. GOING CONCERN

These 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 $1,739,981 (2022 - $2,748,789) and had negative cash flows relating to operating activities of $3,461,738 (2022 - $108,606) for the year ended September 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

(a) **Statement of compliance:** These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB") and the interpretations of the International Reporting Interpretations Committee ("IFRIC") in effect on October 1, 2021.

These consolidated financial statements for year ended September 30, 2023 were authorized for issue in accordance with the resolution of the Board of Directors on January 24, 2024.

(b) **Basis of consolidation:** These consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiary, Cassiar Gold (2020) Corp. ("Cassiar (2020))" which is incorporated in British Columbia. The Corporation consolidates the subsidiary on the basis that it controls the subsidiary. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. All intercompany transactions and balances have been eliminated on consolidation.

3. BASIS OF PREPARATION (continued)

(c) **Basis of measurement:** These consolidated financial statements have been prepared on the historical cost basis, with the exception of certain financial instruments which are presented at fair value.

(d) **Functional and presentation currency:** These consolidated financial statements are presented in Canadian dollars, which is the Corporation's and its subsidiary functional and presentation currency.

(e) **Use of estimates and judgments:** The preparation of consolidated financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the statement of financial position and the reported amounts of expenses during the year. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future years could require a material change in the consolidated financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Adjustments are recorded in the current year as they become known.

Critical accounting estimates

Exploration and evaluation assets
The Corporation conducts impairment review of exploration and evaluation expenditures and equipment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Determining whether an asset is impaired requires an estimation on the recoverable amount.

Share-based payments
The factors affecting share-based payments include estimates of when stock options might be exercised, forfeitures and the stock price volatility. The timing for exercise of options is out of the Corporation’s control and will depend, among other things, upon a variety of factors including the market value of Corporation shares, whether a non-trading restriction has been imposed by the Corporation, and financial objectives of the holders of the options. The Corporation has used historical data to determine volatility in accordance with Black-Scholes modeling, however future volatility is inherently uncertain.

Asset retirement obligation (the “ARO”)
Provision on the retirement of the exploration and evaluation assets (the “E&E assets”) and site restoration is based on many assumptions and judgments: future estimated costs, expected amounts of cash flows to discharge the obligation, timing of such cash flows and the prevalent market discount rate. Any changes to the assumptions will result in an adjustment to the provision which affects the Corporation’s liabilities and operating results.

Critical accounting judgments

Exploration and evaluation assets
The Corporation applies significant judgments on the ongoing feasibility of mineral exploration, and whether there are indicators that the right to explore the specific area has or will expire, that further exploration and evaluation plans have changed, or whether development of a specific area is unlikely to recover existing exploration and evaluation property costs. If any of these indicators are present, management is required to perform an assessment of the recoverable amount of exploration and evaluation properties.

Cash Generating Unit (the “CGU”) Determination
An impairment test requires the Corporation to determine the recoverable amount of an asset or group of assets. For non-current assets, including property and equipment and exploration and evaluation assets, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the individual assets are grouped together into a CGU for impairment testing purposes. A CGU for impairment testing is typically considered to be an individual mine site or a development project.

The Corporation has determined that it has two CGUs based on the projects as noted in Note 8.

3. BASIS OF PREPARATION (continued)

Critical accounting judgments

Going concern
Going concern presentation of the financial statements assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. Refer to Note 2.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

(a) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash and short term GIC held with banks and financial institutions.

(b) Financial instruments:

The Corporation recognizes financial assets and financial liabilities, including derivatives, on the statements of financial position when the Corporation becomes a party to the contract. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or when the Corporation has transferred substantially all risks and rewards of ownership. Financial liabilities are removed from the consolidated financial statements when the liability is extinguished either through settlement of, or release from, the obligation of the underlying liability.

Financial assets, financial liabilities and derivatives are measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial instrument's classification, as described below.

Amortized cost
A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of the cash flows; and all contractual cash flows represent only principal and interest on that principal. All financial liabilities are measured at amortized cost using the effective interest method except for liabilities incurred for the purposes of selling or repurchasing in the short-term liabilities, if they are held-for trading and those that meet the definition of a derivative.

Cash and cash equivalents, other receivables, trade payable and accrued liabilities are classified as assets or liabilities measures at amortized cost.

Fair value through other comprehensive income ("FVTOCI")
A financial asset shall be measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payment of Principal and Interest ("SPPI") on the principal amount outstanding.

Fair value through profit or loss ("FVTPL")
All financial assets that do not meet the definition of being measured at amortized cost or FVTOCI are measured at FVTPL, this includes all derivative financial assets. A financial liability is classified as measured at FVTPL if it is held-for-trading, a derivative, or designated as FVTPL on initial recognition. For financial assets and liabilities, the Corporation may make an irrevocable election to designate an asset at FVTPL. If the election is made it is irrevocable, meaning that asset, liability, or group of financial instruments must be recorded at FVTPL until that asset, liability or group of financial instruments are derecognized.

Financial assets and liabilities are offset and the net amount is reported on the statement of financial position when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Exploration and evaluation expenditures

Mineral property acquisition costs and exploration costs directly related to specific properties are deferred, commencing on the date that the Corporation acquires legal rights to explore a mineral property, until technical and economic feasibility of extracting a mineral resource is demonstrable, or until the properties are sold or abandoned. All other costs, including administrative overhead are expensed as incurred. Exploration and evaluation assets are not depreciated or depleted. If the properties enter the development phase, they will be reclassified from exploration and evaluation assets. At the production phase, depletion will commence using the units of production basis based upon proven reserves. If the properties are sold or abandoned, these expenditures will be written off.

Mineral interests are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed the recoverable amount. Where there is evidence of impairment, the net carrying amount of the asset will be written down to its recoverable amount. If the properties enter the development phase, the exploration and evaluation assets attributable to the area of interest are first tested for impairment and then reclassified to mining property development assets within the property and equipment.

Actual costs incurred upon settlement of decommissioning liabilities are charged against the provision to the extent the provision was established.

(d) Property and equipment:

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced asset is derecognized. All other repairs and maintenance are charged to the consolidated statements of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the consolidated statements of comprehensive loss.

Amortization is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of plant and equipment are as follows:

Class of plant and equipment	Amortization rate
Equipment	20%
Computer equipment	45%
Vehicles	25%
Building	10%
Land	0%

(e) Impairment of long-lived assets:

The Corporation assesses at each reporting date whether there are indications of impairment of the CGU it has identified. If indications of impairment exist, the Corporation estimates the asset's recoverable amount, which is the higher of an asset's or CGU's fair value less costs of disposal and its value-in-use.

Fair value less costs of disposal represent the value for which an asset could be sold in an arms length transaction and is presented as a function of the future cash flows of the proved and probable reserves. Value in use is estimated as the discounted present value of the future cash flows expected to arise from the continued use of the asset or CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and the impairment loss is charged to the consolidated statements of net loss and comprehensive loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

For impairment losses recognized in prior years, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. Previously recognized impairment loss reversals are limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Impairment reversals are recognized as an impairment recovery in the statement of net loss and comprehensive loss.

(f) Asset Retirement Obligation (“ARO”):

Restoration provision is made for future obligations to retire long-lived assets which include dismantling, removing facilities and restoring the affected areas to normal operations. The provision for future restoration costs is the best estimate of the present value of the cash flows required to settle the restoration obligation at the reporting date. Upon initial recognition of the ARO liability, the amount is capitalized to the carrying value of the related asset and amortized as an expense over the economic life of the asset. The ARO liability increases in following periods as the accretion expenses are accounted for. The ARO is adjusted annually for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows, estimated inflation rate and the discount rate.

(g) Taxes:

Tax expense comprises current and deferred tax. Tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Loss per share:

Basic loss per share is calculated by dividing the profit or loss attributable to shareholders of the Corporation by the weighted average number of Common Shares outstanding during the year. The Corporation uses the treasury stock method to determine the dilutive effect of issued instruments such as options and warrants. This method assumes that proceeds received from the exercise of in-the-money instruments are used to repurchase Common Shares at the average market price for the year. These instruments are not included in the per share calculation if the effect of their inclusion is antidilutive.

(i) Flow-through shares:

Expenditure deductions for income tax purposes related to exploratory activities funded by flow-through equity instruments are renounced to investors in accordance with income tax legislation. The proceeds from issuance are allocated between the offering of shares and the transfer of tax deductions. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A flow through share liability is recognized for this difference. The liability is reversed as eligible exploration expenditures are incurred and a flow through share premium is recognized as income at that time.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Share-based payment transactions:

The Corporation operates an equity-settled compensation plan under which it receives services from employees, directors, officers, and contractors as consideration for equity instruments of the Corporation.

The Corporation uses the Black-Scholes pricing model to estimate the fair value of equity-settled awards at the grant date. The expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period.

When recognizing the fair value of each tranche over its respective vesting period, the Corporation incorporates an estimate of the number of options expected to vest and revises that estimate when subsequent information indicates that the number of options expected to vest differs from previous estimates.

No expense is recognized for awards that do not ultimately vest, except for equity-settled awards where vesting is conditional upon a market or non-vesting condition which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. Upon the exercise of options, consideration received together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

(k) Leases:

The Corporation assesses at inception of a contract, whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Corporation assesses whether the customer has the following through the period of use:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

At the lease commencement date, the Corporation recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost. The cost of the right-of-use asset is comprised of the initial amount of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred by the Corporation, and an estimate of the costs to be incurred by the Corporation in dismantling and removing the underlying asset and restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, the Corporation measures right-of-use assets related to property and equipment by applying the cost model, whereby the right-of-use asset is measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or the end of the useful life of the right-of-use asset. The determination of the depreciation period is dependent on whether the Corporation expects that the ownership of the underlying asset will transfer to the Corporation by the end of the lease term or if the cost of the right-of-use asset reflects that the Corporation will exercise a purchase option.

(l) Share capital:

The Corporation records proceeds from share issuances net of share issue costs. Proceeds, and issue costs, from unit placements are allocated between shares and warrants issued according to their residual value. The fair value of the warrant is determined using the Black-Scholes option pricing model. The residual value is attributed to the value of the shares. The residual value of the share component and warrant is credited to share capital. Upon exercise of the warrant, consideration paid by the warrant holder together with the amount previously recognized is recorded as an increase to share capital. If the warrant expires unexercised, the value is reclassified to contributed surplus within equity. Warrants, issued as part of private placement units, that have their term of expiries extended, are not subsequently revalued. The Corporation may modify the terms of warrants originally granted. When modifications exist, the Corporation will maintain the original fair value of the warrant.

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Share Unit Plan:

The Corporation has established an equity compensation plan (the "Share Unit Plan") providing for the issuance of restricted share units ("RSUs") and deferred share units ("DSUs"), which provides for the grant of RSUs to eligible employees and DSUs to eligible directors of the Corporation. The Share Unit Plan provides for settlement to eligible employees and directors 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 Corporation making cash payments under the Share Unit Plan and, as such, the RSU's and DSUs are accounted for within shareholders' equity. The Company measures the cost of equity-settled share-based transactions by reference to the fair value of the equity instruments at the date at which they are granted and is recorded in the statement of comprehensive loss over the vesting period.

These Common Shares would be issued from the same 10% rolling pool as the Common Shares issued under the Corporation's Share Option Plan. As these RSUs and DSUs are expected to be settled with equity, an amount equal to the stock-based compensation expense is initially credited to contributed surplus and transferred to share capital if and when the deferred share unit is redeemed.

5. PROPERTY AND EQUIPMENT

	Land	Buildings	Computers, Equipment & Vehicles	Total
	$	$	$	$
Cost				
Balance as at September 30, 2021	28,993	380,706	260,286	669,985
Additions/Disposal	-	-	-	-
Balance as at September 30, 2022	28,993	380,706	260,286	669,985
Additions/Disposal	-	-	-	-
Balance as at September 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	-	30,837	13,434	44,271
Balance as at September 30, 2023	-	103,172	216,068	319,240
Net book value				
September 30, 2022	28,993	308,371	57,652	395,016
September 30, 2023	28,993	277,534	44,218	350,745

(Expressed in Canadian Dollars)

6. 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 September 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	89,845
Balance as at September 30, 2023	119,794
Net book value	
Balance as at September 30, 2022	149,742
Balance as at September 30, 2023	59,897

7. DEPOSITS

The Corporation's deposits include reclamation bonds for permits and license with banks in Canada and Government of Canada. As at September 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 year ended September 30, 2023, $1,050,000 (2022 – Nil) of reclamation bonds were issued pursuant to government regulations.

8. 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
Change in estimate of asset retirement obligation	484,485	-	484,485
Share based compensation related to the projects	376,583	-	376,583
Exploration costs	10,283,651	20,890	10,304,541
Balance at September 30, 2023	$37,134,366	$2,208,716	$39,343,082

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;

8. EXPLORATION AND EVALUATION ASSETS (continued)

(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 obligations. As at September 30, 2023, liabilities assumed by the Corporation were $2,811,990 based on recent reclamation cost estimation (Note 10).

During the year ended September 30, 2023, the Corporation incurred $10,660,234 (2022 - $10,673,203) exploration and evaluation costs for the project.

<u>Sheep Creek Gold District Project</u>

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:

- 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, 2023 the Corporation paid $Nil (2022 - $100,000) in cash and issued Nil (2022 - 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 year ended September 30, 2023, the Corporation incurred $20,890 (2022 - $25,780) exploration and evaluation costs for the project.

(Expressed in Canadian Dollars)

9. 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	8,288
Repayments	(96,877)
Balance as at September 30, 2023	63,107
Short term lease obligations	63,107
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. The undiscounted short term lease obligation is $35,716.

10. 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	68,449
Change in estimate	484,485
Balance at September 30, 2023	$2,811,990

The total discounted cash flow estimated to settle the obligations as at September 30, 2023 was $2,811,990 (September 30, 2022 – $2,259,056) which was based on the recent reclamation cost estimation, and adjusted for inflation at the rate of 2.57% (2022 – 2%) and then discounted at a risk free rate of 4.03% (2022-3.03%). A total of $2,811,990 discounted reclamation costs are expected to be incurred in 2033.

As at September 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 7)

(Expressed in Canadian Dollars)

11. 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 (a)(b)(c)	12,250,282	11,079,040
Warrants exercised (f)	8,787,722	8,480,239
Stock option exercised (g)	183,332	203,464
Share option payments (h)	90,000	83,700
Restricted share units issued	72,000	56,880
Share issue costs	-	(832,015)
Warrant allocation	-	(1,690,952)
Flow through share discount	-	(310,118)
Balance at September 30, 2022	**81,563,103**	**$41,970,081**
Common share issued (d) (e)	13,496,666	8,974,067
Warrants exercised (f)	555,275	333,165
Stock option exercised (g)	100,000	83,994
Restricted share units issued	665,998	446,060
Deferred share units issued	488,002	355,187
Share issuance costs	-	(918,022)
Flow-through share discount	-	(1,291,901)
Balance at September 30, 2023	**96,869,044**	**$49,952,631**

Warrants	Number of warrants	Share capital
Balance at September 30, 2021	**24,802,821**	**$8,022,005**
Warrants issued (a)(b)(c)	6,125,141	$1,690,952
Warrants exercised (f)	(8,159,574)	(2,950,706)
Warrants expired	(7,404,431)	(3,003,549)
Balance at September 30, 2022	**15,363,957**	**$3,758,702**
Warrants issued (d) (e)	6,748,336	1,148,433
Warrants expired	(9,238,809)	(2,796,473)
Balance at September 30, 2023	**12,873,484**	**$2,110,662**

Total share capital at September 30, 2022		**$45,728,783**
Total share capital at September 30, 2023		**$52,063,293**

(Expressed in Canadian Dollars)

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

(a) 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 issued on a "CEE flow-through" basis pursuant to the Income Tax Act (Canada) and one-half of one warrant (each whole warrant, a "Warrant"). Each whole Warrant will be exercisable by the holder to acquire one Common Share at an exercise 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 at an exercise price of $1.00 per broker warrant share for a period of 24 months from the date of issue.

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

(b) On July 28, 2022, the Corporation closed on a non-brokered private placement of 1,163,570 FT Units at a purchase price of $0.70 per unit for total proceeds of $814,499. Each flow-through unit consists of one Common Share issued on a "CEE flow-through" basis and one-half of one flow-through purchase warrant. Each whole warrant will entitle the holder to acquire one Common Share at an exercise price of $0.90 for a period of 24 months from July 28, 2022. A fair value 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	3.08%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	85%
Weighted-average fair value	$0.29
Expected Life	2 years

(c) On August 4, 2022, the Corporation closed on a non-brokered private placement of 2,740,570 FT Units at a purchase price of $0.70 per unit for total proceeds of $1,918,399. Each flow-through unit consists of one Common Share issued on a "CEE flow-through" basis and one-half of one flow-through purchase warrant. Each whole warrant will entitle the holder to acquire one Common Share at an exercise price of $0.90 for a period of 24 months from August 4, 2022.

A fair value 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	3.64%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	85%
Weighted-average fair value	$0.31
Expected Life	2 years

(Expressed in Canadian Dollars)

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

(d) On May 4, 2023, the Corporation closed a bought deal offering of 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 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 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

(e) 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 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

(f) During the year ended September 30, 2023, the Company issued 555,275 shares for warrants exercised by investors for proceeds of $333,165 (2022 – 8,787, 722 shares for proceeds of $5,529,533).

(g) During the year ended September 30, 2023, the Company issued 100,000 shares for options exercised by investors for proceeds of $45,000 (2022 – 183,322 shares for proceeds of $105,699).

(h) During the year ended September 30, 2023, the Company issued Nil shares as per the Bayonne and Sheep Creek Option Agreement (2022 – 90,000 shares at a price of $0.93).

Flow-through shares

During the period ended September 30, 2023, the Corporation raised $10,122,500 (2022 - $11,079,040) on a CEE flow-through share basis and was required to incur a net total of $10,122,500 (2022 - $11,079,040) of qualifying expenditures to renounce the tax deductions to investors.

(Expressed in Canadian Dollars)

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

As at September 30, 2023, the Corporation still needs to incur an additional $4,893,073 (2022 - $5,488,464) to meet its flow through share commitment. A flow-through share premium liability of $634,979 (2022 - $102,389) was recognized as the Corporation has not incurred sufficient qualifying expenditures to offset the liability.

The flow-through share premium of $759,311 (2022 - $325,694) 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 based on terms and conditions set out in the stock option agreements. 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
Granted	1,400,000	$0.35
Cancelled	(248,000)	$1.16
Exercised	(100,000)	$0.45
Exercisable as at September 30, 2023	4,935,659	$0.65
Outstanding at September 30, 2023	7,145,668	$0.60

During the year ended September 30, 2023, 248,000 (2022 – 309,000) stock options were cancelled, and 100,000 stock options were exercised (2022 – 183,332).

At September 30, 2023, the weighted-average life of the options outstanding was 3.20 years (September 30, 2022 – 3.7 years). Details of stock options outstanding as at September 30, 2023 were as follows:

Exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
$0.50	0.73	485,000	485,000
$0.75	1.91	1,150,000	1,150,000
$0.60	2.48	1,710,668	1,710,668
$0.79	3.13	470,000	303,332
$0.66	3.96	1,930,000	1,286,659
$0.35	4.98	1,400,000	-
Total	**3.20**	**7,145,668**	**4,935,659**

(Expressed in Canadian Dollars)

11. 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:

	2023	**2022**
Risk-free interest rate	4.21%	1.48% to 3.38%
Expected stock price volatility*	130%	132% to 134%
Expected life	5 years	5 years
Expected dividend yield	-	-
Fair value per option granted	$0.30	$0.58-$0.68
Forfeiture rate	11%	12%

Total share-based payments of $589,108 (2022 – $904,423) for the year ended September 30, 2023 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, $190,119 (2022 - $173,585) 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.

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

RSU and DSU movements during the year ended September 30, 2023 are as follows:

	Number of RSUs
Outstanding at September 30, 2021	-
Granted	1,140,000
Exercised	(72,000)
Outstanding as at September 30, 2022	1,068,000
Granted	1,390,000
Exercised	(665,998)
Cancelled	(44,000)
Outstanding at September 30, 2023	1,748,002

	Number of DSUs
Outstanding at September 30, 2021	-
Granted	744,000
Outstanding as at September 30, 2022	744,000
Granted	550,000
Exercised	(488,002)
Cancelled	(16,000)
Outstanding at September 30, 2023	789,998

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

During the year ended September 30, 2023, the Company issued 665,998 shares to settle RSU at a market price of $0.335 (2022 – 72,000 shares at a market price of $0.69).

During the year ended September 30, 2023, the Company issued 488,002 shares to settle DSU at a market price of $0.335 (2022 – Nil).

Total share-based payments of $473,604 for the year ended September 30, 2023 (2022 – $671,078) was recognized based on the estimated fair value of the RSU and DSU from $0.345 to $0.79. Of the total share-based payments, $115,004 (2022 - $Nil) were capitalized to E&E.

During the year ended September 30, 2023, $71,460 (2022 - $Nil) share based payments for year ended September 30, 2022 were reclassified to capitalized to E&E as the share based payments were related to exploration and development activities.

12. 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. As at September 30, 2023, the capital structure of the Corporation currently consists of shareholder's equity, which was $40,961,992 (2022 - $38,332,459).

13. FAIR VALUE

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash, other receivables, trade and other payables and note payable approximate their fair values due to their short terms to maturity.

14. FINANCIAL INSTRUMENTS

The Corporation is exposed to financial risks from normal course business exposures, as well as from the Corporation's use of financial instruments. These risk factors include market risk, liquidity risk, and credit risk.

(a) Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The market price movements that could adversely affect the value of the Corporation's financial assets, liabilities and expected future cash flows include commodity price risk, interest rate risk and foreign exchange risk.

(i) Commodity price risk
The Corporation may employ the use of various financial instruments in the future to manage price exposure; the Corporation is not currently using any such instruments. The Corporation currently has not obtained any hedging instruments.

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS (continued)

(ii) Interest rate risk
Interest rate risk is the risk of exposure to changes in market interest rates affecting future cash flows. The Corporation is not exposed to significant interest rate risk.

(iii) Foreign exchange risk
Foreign currency risk arises from fluctuations in foreign exchanges rates and the degree of volatility of these rates relative to the Canadian dollar. The Corporation is not exposed to significant foreign exchange risk given it has no financial instruments denominated in a foreign currency.

(b) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation may need to obtain additional sources of cash resources to execute future exploration programs and believes that it has access to sufficient capital through potential external equity sources to meet projected expenditures.

(c) **Credit risk**

Credit risk is the risk that a customer or counter party will fail to perform an obligation or fail to pay amounts due causing a financial loss. The Corporation's credit risk is primarily attributable to cash and is subject to normal credit risks. Credit risk associated with cash is minimal as the Corporation deposits its cash with a large Canadian financial institution that has been accorded a strong investment grade rating by a primary rating agency.

15. GENERAL AND ADMINISTRATIVE

General and administrative details for the years ended September 30, 2023 and 2022:

	For Year Ended September 30	
	2023	**2022**
Consulting	$ 293,155	$ 96,000
Management fees	450,094	578,973
Marketing	733,582	300,745
Office and administrative	117,370	145,466
Professional fees	233,972	334,288
Travel and meals	6,232	108,769
Total	**$1,834,405**	**$1,564,241**

16. RELATED PARTY TRANSACTIONS

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

As at September 30, 2023, the Corporation had an amount of $16,198 (2022 - $15,804) due to directors and officers included in trade payables and accrued liabilities.

During the year ended September 30, 2023:

An aggregate of $298,849 (2022 - $260,693) was paid for compensation as Vice President Exploration of the Corporation. The total amounts have been capitalized to E&E.

An aggregate of $84,000 (2022 - $144,000) in consulting fees was paid to a company owned by an officer of the Corporation for compensation as CFO.

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS (continued)

An aggregate of $285,000 (2022 - $256,250) in consulting fees were paid to a company owned by an officer of the Corporation for compensation as CEO.

An aggregate of $Nil (2022 – $187,244) was paid to an officer of the Corporation for compensation as Vice President Investor Relations.

Compensation of key management personnel

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

	For Year Ended September	
	2023	**2022**
Short-term compensation	$ 667,849	$ 848,188
Share-based payments	631,351	892,733
Capitalized share-based payments	101,511	173,585
Total	**$1,400,711**	**$1,914,506**

17. INCOME TAXES

The reconciliation of the expected tax expense calculated by applying the combined Federal and Provincial corporate income tax rates to the tax provision for the year is a result of the following items:

	September 30,	
	2023	**2022**
Computed “expected” tax at 23.00% (2022 – 23%)	**$ (400,196)**	**$ (632,222)**
Increase (decrease) resulting from:		
Share-based payments	**157,810**	**322,441**
Non-deductible expenses	**340**	**198,148**
Flow-through share renunciation	**1,661,781**	**2,460,654**
Share issuance costs	**(211,145)**	**(191,363)**
Provision to return adjustments	**(163,096)**	**-**
Change in deferred tax asset not being recognized	**(1,045,494)**	**(2,157,657)**
	$ -	**$ -**

The components in deferred tax assets and liabilities for the years ended September 30, 2023 and 2022 are as follows:

	September 30,	
	2023	**2022**
Property and equipment	**$ 940,407**	**$ 930,224**
Exploration and evaluation assets	**(5,233,870)**	**(3,155,731)**
Asset Retirement Obligation	**646,758**	**519,583**
Non-capital losses	**3,646,705**	**1,705,924**
Deferred tax liability	**$ -**	**$ -**

Details of the unrecognized deductible temporary differences are as follows:

(Expressed in Canadian Dollars)

17. INCOME TAXES (continued)

	2023	2022
Property and equipment and exploration and evaluation assets	$ -	$ -
Share issue costs	**1,620,166**	**1,292,635**
Non-capital losses	**10,264,265**	**15,137,419**
Asset retirement obligation	$ -	$ -

At this stage of the Corporation's development, it cannot be reasonably estimated that there will be future taxable profits, accordingly there were no deferred income tax assets recognized.

As at September 30, 2023, the Corporation has Canadian federal and provincial non-capital losses carried forward of $10,264,265 (2022 - $22,554,480). These Canadian losses expire between 2037 and 2043:

2037	$856,274
2038	$1,034,830
2039	$1,180,579
2040	$1,793,738
2041	$459,789
2042	$1,801,027
2043	$3,138,028

18. SUBSEQUENT EVENTS

On December 12, 2023, the Company closed a non-broker private placement:

The Company issued 6,005,500 non-flow through units ("Units) at a price of $0.25 per share for gross proceeds of $1,501,375. Each Unit consists of one common share ("Common Share") of the Company and one Common Share purchase warrant ("Warrant").

The Company issued 1,420,011 flow through units ("FT Units) at a price of $0.35 per unit for gross proceeds of $497,004. 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 Warrant.

Each Warrant will be exercisable by the holder to acquire one Common Share at a price of $0.50 for a period of 24 months from the date of issuance.