CASSIAR GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 and 2020

EXPRESSED IN CANADIAN DOLLARS

(AUDITED)

To the Shareholders of Cassiar Gold Corp. (formerly Margaux Resources Ltd.):

Opinion

We have audited the consolidated financial statements of Cassiar Gold Corp. (formerly Margaux Resources Ltd.) and its subsidiary (the "Corporation"), which comprise the consolidated statements of financial position as at September 30, 2021 and September 30, 2020, and the consolidated statements of net loss and 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, 2021 and September 30, 2020, 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 Corporation 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, 2021. 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.

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 consolidated 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 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.

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

MNP LLP

Calgary, Alberta
January 26, 2022

Chartered Professional Accountants

MNP

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

As at	September 30, 2021 $	September 30, 2020 $
ASSETS		
CURRENT		
Cash	**3,473,561**	1,962,338
GST receivable	**145,078**	105,004
Prepaids	**74,230**	110,548
TOTAL CURRENT ASSETS	**3,692,869**	2,177,890
NON-CURRENT		
PROPERTY AND EQUIPMENT (Note 5)	**446,911**	98,475
EXPLORATION AND EVALUATION ASSETS (Note 6)	**17,543,515**	6,685,382
DEPOSITS (Note 7)	**418,944**	45,000
TOTAL NON-CURRENT ASSETS	**18,409,370**	6,828,857
TOTAL ASSETS	**22,102,239**	9,006,747
LIABILITIES		
CURRENT		
Trade and other payables	**637,074**	762,432
Flow-through share liability (Note 9)	**117,965**	5,059
TOTAL CURRENT LIABILITIES	**755,039**	767,491
ASSET RETIREMENT OBLIGATION (Note 7)	**2,481,232**	-
TOTAL LIABLITIES	**3,236,271**	767,491
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 9)	**32,921,848**	22,341,107
CONTRIBUTED SURPLUS	**11,347,662**	9,698,737
DEFICIT	**(25,403,542)**	(23,800,588)
TOTAL SHAREHOLDERS' EQUITY	**18,865,968**	8,239,256
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**22,102,239**	9,006,747

GOING CONCERN (Note 2)

SUBSEQUENT EVENTS (Note 16)

Approved by the Board of Directors:

"Marco Roque"	"Stephen Letwin"
Marco Roque. Director	Stephen Letwin, Director

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

CASSIAR GOLD CORP.

Consolidated Statements of Net Loss and Comprehensive Loss

(Expressed in Canadian dollars)

For the years ended September 30,	**2021** **$**	2020 $
Expenses		
Operating	**20,210**	70,433
General and administrative (Note 13)	**1,836,405**	1,557,816
Share-based payments (Note 9)	**616,167**	377,433
Depreciation (Note 5)	**61,263**	30,592
Total expenses	**2,534,045**	2,036,274
Interest on note payable (Note 8)	**-**	16,130
Interest on trade payables	**-**	1,861
Impairment of exploration and evaluation assets (Note 6)	**-**	555,226
Flow-through share premium (Note 9)	**(959,876)**	(134,242)
Other loss (income)	**253**	(25,700)
Accretion (Note 7)	**28,532**	-
Net loss and comprehensive loss	**1,602,954**	2,449,549
Weighted average number of shares	**54,070,948**	27,543,634
Basic and diluted loss per share	**$ 0.03**	$ 0.09

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

CASSIAR GOLD CORP.

Consolidated Statements Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Note	Share Capital $	Contributed Surplus $	Deficit $	Total $
Balance as at, September 30, 2019		**15,299,752**	**8,832,033**	**(21,351,039)**	**2,780,746**
Net loss and comprehensive loss		-	-	(2,449,549)	(2,449,549)
Common shares issued, net costs	9	41,690	-	-	41,690
Warrants issued	9	4,864,908	-	-	4,864,908
Warrants expired	9	(495,418)	495,418	-	-
Stock options exercised	9	42,227	(18,894)	-	23,333
Stock options forfeited	9	-	(26,129)	-	(26,129)
Property option payments	9	2,587,948	-	-	2,587,948
Share-based payments	9	-	403,562	-	403,562
Capitalized share-based payments	9	-	12,747	-	12,747
Balance as at, September 30, 2020		**22,341,107**	**9,698,737**	**(23,800,588)**	**8,239,256**
Net loss and comprehensive loss		-	-	(1,602,954)	(1,602,954)
Common shares issued, net costs	9	5,115,382	-	-	5,115,382
Warrants issued	9	3,157,092	-	-	3,157,092
Warrants expired	9	(950,933)	950,933	-	-
Stock options forfeited	9	-	(27,862)	-	(27,862)
Property option payments	9	3,259,200	-	-	3,259,200
Share-based payments	9	-	644,029	-	644,029
Capitalized share-based payments	9	-	81,825	-	81,825
Balance as at, September 30, 2021		**32,921,848**	**11,347,662**	**(25,403,542)**	**18,865,968**

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 the years ended September 30,	2021 $	2020 $
CASH FLOWS RELATING TO OPERATING ACTIVITIES		
Net loss and comprehensive loss	**(1,602,954)**	(2,449,549)
Items not affecting cash:		
Share-based payments (Note 9)	**616,167**	377,433
Depreciation (Note 5)	**61,263**	30,592
Impairment of exploration and evaluation assets (Note 6)	**-**	555,226
Interest on note payable	**-**	16,130
Interest on payables	**-**	1,861
Flow-through share premium (Note 9)	**(959,876)**	(134,242)
Accretion (Note 5)	**28,532**	-
Change in non-cash working capital:		
GST receivable	**(40,074)**	(75,761)
Prepaids	**36,318**	(71,448)
Deposits	**(24,500)**	5,300
Trade and other payables	**(125,357)**	564,934
Net cash used in operating activities	**(2,010,481)**	(1,179,524)
CASH FLOWS RELATING TO FINANCING ACTIVITIES		
Proceeds from share and warrant issuance, net of costs (Note 9)	**9,345,255**	5,045,900
Proceeds from option exercise	**-**	23,333
Proceeds from note payable (Note 8)	**-**	340,000
Repayment of note payable	**-**	(573,480)
Net cash generated from financing activities	**9,345,255**	4,835,753
CASH FLOWS RELATING TO INVESTING ACTIVITIES		
Purchase of exploration and evaluation (Note 6)	**(5,687,551)**	(1,828,021)
Cash option payments (Note 6)	**(136,000)**	-
Net cash used in investing activities	**(5,823,551)**	(1,828,021)
INCREASE IN CASH FOR THE YEAR	**1,511,223**	1,828,208
CASH – BEGINNING OF YEAR	**1,962,338**	134,130
CASH – END OF YEAR	**3,473,561**	1,962,338

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 "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 15^{th} Floor, Bankers Court, 850 – 2^{nd} 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 consolidated 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 $1,602,954 (2020 - $2,449,549) and had negative cash flows relating to operating activities of $2,010,481 (2020 - $1,179,524) for the year ended September 30, 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 consolidated 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.

COVID-19 Public Health Crisis

The Corporation's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures and government enforced lockdowns, along with a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other restrictions pursuant to public health orders. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Corporation cannot estimate whether or to what extent this outbreak and its financial impact may extend. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people. All of the foregoing may impact mineral prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Corporation of COVID-19 and related public health orders may

2. GOING CONCERN (continued)

include but are not limited to the following: potential slowdowns or temporary suspensions of operations in locations impacted by an outbreak; interruptions to supply chains and supplies upon on which the Corporation relies; restrictions that the Corporation and its contractors and subcontractors impose to ensure the safety of employees and others; increased labor costs; regulatory changes; political or economic instabilities; and civil unrest.

As of the date hereof, the British Columbia provincial government has designated businesses engaged in mineral exploration and development as an "essential service". Provided the Corporation's exploration activities continue to be so designated and the current availability of labor and supplies is not materially affected by new developments respecting COVID-19 or responses thereto, the Corporation expects that its personnel and/or consultants will be able to continue surveying and drilling activities respecting any exploration activities without significant delays or increases in cost.

The Corporation has and will continue to take measures recommended by Health Canada and applicable regulatory bodies, as appropriate. At this point, the extent to which COVID-19 will or may impact the Corporation is uncertain and these factors are beyond the Corporation's control; however, it is possible that COVID-19 may have a material adverse effect on the Corporation's business, results of operations and financial condition.

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, 2020.

These consolidated financial statements for year ended September 30, 2021 were authorized for issue in accordance with the resolution of the Board of Directors on January 26, 2022.

(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.

(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.

3. BASIS OF PREPARATION (continued)

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 and the model has its limitations.

Asset retirement obligation ("ARO")
Provision on the retirement of 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.

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 cash generating unit ("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 CGU's based on the projects as noted in Note 6.

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**:

Cash is comprised of cash on hand and cash held with banks.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, trade and other payables 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.

(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 include computer equipment, equipment and vehicles.

Computer equipment
Computer equipment is carried at cost less accumulated depreciation. Depreciation is charged so as to write-off the cost of these assets less residual value using the declining balance method at 45% per year.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment
Equipment is carried at cost less accumulated depreciation. Depreciation is charged so as to write-off the cost of these assets less residual value using the declining balance method at 20% per year.

Vehicles
Vehicles are carried at cost less accumulated depreciation. Depreciation is charged so as to write-off the cost of these assets less residual value using the declining balance method at 25% per year.

(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 statement of net loss and comprehensive loss.

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 and the discount rate.

(g) **Finance income:**

Interest income is recognized as it accrues in the statement of net loss and comprehensive loss, using the effective interest rate method.

(h**) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(i) **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.

(j) **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 liability is recognized for this difference. The liability is reversed as eligible exploration expenditures are incurred and a deferred tax liability is recognized at that time. Income tax expense is the difference between the amount of the deferred tax liability and the liability recognized on issuance.

(k) **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.

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

5. PROPERTY AND EQUIPMENT

	Land $	Buildings $	Computers, Equipment & Vehicles $	Total $
Balance as at September 30, 2020 and 2019	**-**	**-**	**260,286**	**260,286**
Acquired on acquisition (Note 6)	28,993	380,706	-	409,699
Balance as at September 30, 2021	**28,993**	**380,706**	**260,286**	**669,985**
Accumulated Depreciation				
Balance as at September 30, 2020 and 2019	-	-	161,811	161,811
Charge for the year	-	38,071	23,192	61,263
Balance as at September 30, 2021	**-**	**38,071**	**185,003**	**223,074**
Net book value				
September 30, 2020	-	-	98,475	98,475
September 30, 2021	**28,993**	**342,635**	**75,283**	**446,911**

6. EXPLORATION AND EVALUATION ASSETS

	Cassiar Gold Project	Sheep Creek Gold District Project	Old Timer Project	Jackpot Project	Total
Balance at September 30, 2019	**$701,141**	**$1,555,525**	**$ 39,686**	**$515,540**	**$2,811,892**
Cash option payments	-	50,000	-	-	50,000
Share option payments	2,357,100	230,848	-	-	2,587,948
Exploration costs	1,787,925	2,843	-	-	1,790,768
Impairment	-	-	(39,686)	(515,540)	(555,226)
Balance at September 30, 2020	**$4,846,166**	**$1,839,216**	**$ -**	**$ -**	**$6,685,382**
Cash option payments	-	136,000	-	-	136,000
Acquisition of assets	5,161,142	-	-	-	5,161,142
Exploration costs	5,557,861	3,130	-	-	5,560,991
Balance at September 30, 2021	**$15,565,169**	**$1,978,346**	**$ -**	**$ -**	**$17,543,515**

6. EXPLORATION AND EVALUATION ASSETS (continued)

Cassiar Gold Project

On March 25, 2019, the Corporation entered into an Option Agreement with Wildsky Resources Inc. ("Wildsky") for an option to acquire a 100% interest in the Cassiar Gold Project ("Cassiar Gold Option Agreement") by way of an all-share agreement. In order to exercise the option, the Corporation must 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 must satisfy certain other conditions as follows:

(a) Cassiar will expend at least $400,000 on the planning, development and execution of the Cassiar 2019 work program, based on a mutually approved budget;

(b) Six months after the transfer of the Corporation's 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 Corporation's 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 Corporation's 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 property, 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. 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 7).

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").

Under the terms of the Bayonne and Sheep Creek Option Agreement and as amended on February 10, 2020, July 10, 2020, February 15, 2021, the Corporation has 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 (Paid in full).
- 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, 2021 the Corporation paid $136,000 (2020 - $50,000) in cash to satisfy the third anniversary payment on the Sheep Creek property.

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.

(Expressed in Canadian dollars)

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

A continuity of the asset retirement obligation is as follows:

	As at September 30, 2021
Acquired on acquisition	$ 2,666,584
Accretion expense	28,532
Change in estimate	(213,884)
Balance at September 30, 2021	**$ 2,481,232**

The total undiscounted cash flow estimated to settle the obligations as at September 30, 2021 was $2,451,948 (2020 – Snil) 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 September 30, 2021, the Corporation had $418,944 (September 30, 2020 - $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. NOTE PAYABLE

During the year ended September 30, 2020, the notes payables were repaid in full including aggregate interest from inception of $23,480.

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, 2019	**18,566,671**	**$13,853,396**
Shares issued (b)(d)(e)(f)	14,201,032	5,365,995
Share option payments (a)(c)(g)	7,339,151	2,587,948
Option Exercise	46,666	42,227
Share issue costs		(320,095)
Warrant allocation		(4,864,908)
Flow through share discount		(139,302)
Balance at September 30, 2020	**40,153,520**	**$16,525,261**
Shares issued (i)(j)	15,370,247	10,151,553
Share option payments (h)	4,656,000	3,259,200
Share issue costs		(806,298)
Warrant allocation		(3,157,092)
Flow through share discount		(1,072,781)
Balance at September 30, 2021	**60,179,767**	**$24,899,843**

(Expressed in Canadian dollars)

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

Warrants	Number of warrants	Share capital
Balance at September 30, 2019	**5,844,877**	**$1,446,356**
Warrants issued (b)(d)(e)(f)	14,201,032	4,864,908
Warrants expired	(577,760)	(495,418)
Balance at September 30, 2020	**19,468,149**	**$5,815,846**
Warrants issued (i)(j)	10,601,790	3,157,092
Warrants expired	(5,267,118)	(950,933)
Balance at September 30, 2021	**24,802,821**	**$8,022,005**

Total share capital at September 30, 2020	$22,341,107
Total share capital at September 30, 2021	**$32,921,848**

(a) On November 13, 2019, the Corporation issued an aggregate of 3,492,000 common shares of the Corporation valued at a market close price of $0.35 per share satisfying the first and second tranches issuable under the Cassiar Option Agreement.

(b) On December 20, 2019, the Corporation closed on a non-brokered private placement of 111,111 units of the Corporation at a purchase price of $0.45 per unit and 1,082,000 flow-through units at a purchase price of $0.50 per unit for total proceeds of $591,000. Each unit consists of one common share of the Corporation and one common share purchase warrant of the Corporation. Each flow-through unit consists of one Common Share issued on a "CEE flow-through" basis and one flow-through purchase warrant. Each common share purchase warrant will entitle the holder to acquire one Common Share at an exercise price of $0.75 and each flow-through purchase warrant will entitle the holder to acquire one Warrant Share at an exercise price of $0.85 per Warrant Share for a period of two years from December 20, 2019, subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Shares on the TSXV exceeds $1.25 per Common Share.

Warrants vest immediately. A fair value of $247,911 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	1.67%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	167%
Weighted-average fair value	$0.21
Expected Life	2 years

(c) On March 25, 2020, the Corporation issued an aggregate of 3,492,000 common shares of the Corporation valued at a market close price of $0.325 per share satisfying the third tranche issuable under the Cassiar Option Agreement.

(d) On April 27, 2020, the Corporation closed on a non-brokered private placement of 714,300 units of the Corporation at a purchase price of $0.35 per unit for aggregate proceeds of $250,005. Each unit consists of one common share of the Corporation and one common share purchase warrant of the Corporation. Each whole warrant will be exercisable by the holder at a price of $0.60 per warrant for a period of two years from April 28, 2020, subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Shares on the TSXV exceeds $1.00 per Common Share.

(Expressed in Canadian dollars)

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

Warrants vest immediately. A fair value of $178,009 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	0.32%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	172%
Weighted-average fair value	$0.25
Expected Life	2 years

(e) On May 19, 2020, the Corporation closed on a non-brokered private placement of 71,400 units of the Corporation at a purchase price of $0.35 per unit for aggregate proceeds of $24,990. Each unit consists of one common share and one common share of the Corporation and one common share purchase warrant of the Corporation. Each whole warrant will be exercisable by the holder at a price of $0.60 per warrant for a period of two years from May 19, 2020, subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Shares on the TSXV exceeds $1.00 per Common Share.

Warrants vest immediately. A fair value of $17,809 has been attributed to the based on the Black-Scholes option pricing model on the date of grant using the following assumptions:

Risk-free rate	0.30%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	172%
Weighted-average fair value	$0.25
Expected Life	2 years

(f) On July 10, 2020, the Corporation closed on a non-brokered private placement of 9,999,999 units of the Corporation at a purchase price of $0.35 per unit and 2,222,222 flow-through units at a purchase price of $0.45 per unit for total proceeds of $4,500,000. Each unit consists of one common share of the Corporation and one common share purchase warrant of the Corporation. Each flow-through unit consists of one Common Share issued on a "CEE flow-through" basis and one flow-through purchase warrant. Each common share purchase warrant will entitle the holder to acquire one Common Share (each a "Warrant Share") at an exercise price of $0.60 per Warrant Share and each flow-through Warrant will entitle the holder to acquire one Warrant Share at an exercise price of $0.70 per Warrant Share for a period of two years from July 10, 2020, subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Shares on the TSXV exceeds $1.00 per Common Share.

Warrants vest immediately. A fair value of $4,421,179 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	0.26%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	174%
Weighted-average fair value	$0.42
Expected Life	2 years

(g) On July 31, 2020, the Corporation issued an aggregate of 355,151 common shares of the Corporation valued at a market price of $0.65 per common share as per the Bayonne and Sheep Creek Property option agreement.

(h) On October 1, 2020, the Corporation issued an aggregate of 4,656,000 common shares Corporation valued at a market close price of $0.70 per share of the Corporation satisfying the fourth and last tranche issuable under the Cassiar Option Agreement.

(Expressed in Canadian dollars)

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

(i) On October 30, 2020, the Corporation closed on a non-brokered private placement of 3,252,867 units of the Corporation at a purchase price of $0.60 per unit, 3,775,715 flow-through units at a purchase price of $0.70 per unit, and 2,508,333 charitable flow-through units a purchase price of $0.82 per unit, for total proceeds of $6,651,553. Each unit consists of one common share of the Corporation and one-half of one common share purchase warrant of the Corporation. Each flow-through unit and charitable 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 (each a "Warrant Share") at an exercise price of $0.90 per Warrant Share for a period of two years from October 30, 2020.

Risk-free rate	0.24%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	168%
Weighted-average fair value	$0.45
Expected Life	2 years

(j) On August 13, 2021, the Corporation closed on a non-brokered private placement of 520,972 flow-through units at a purchase price of $0.60 per unit, and 5,312,360 charitable flow-through units a purchase price of $0.60 per unit, for total proceeds of $3,500,000. Each flow-through unit and charitable flow-through unit consists of one Common Share issued on a "CEE flow-through" basis and one flow-through purchase warrant. Each whole warrant will entitle the holder to acquire one Common Share (each a "Warrant Share") at an exercise price of $0.675 per Warrant Share for a period of two years from August 13, 2021.

Risk-free rate	0.45%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	108%
Weighted-average fair value	$0.18
Expected Life	2 years

Flow-through shares

During the year ended September 30, 2021, the Corporation raised $8,199,833 (2020 - $1,541,000) on a CEE flow-through share basis and was required to incur a net total of $8,199,833 (2020 - $1,541,000) of qualifying expenditures to renounce the tax deductions to investors. The Corporation still needs to incur an additional $2,879,662 (2020 - $64,185) to meet its flow through share commitment. A flow-through share premium liability of $117,965 (2020 - $5,059) was recognized as the Corporation has not met its flow-through share commitment by incurring sufficient qualifying expenditures as at September 30, 2021. The accumulated flow-through share premium of $959,876 (2020 - $134,342) 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.

(Expressed in Canadian dollars)

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

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, 2019	1,032,665	**$1.15**
Outstanding at September 30, 2019	1,652,000	**$0.95**
Issued	1,180,000	$0.75
Forfeited	(70,000)	$0.57
Expired/Cancelled	(313,333)	$1.28
Exercised	(46,666)	$0.50
Exercisable as at September 30, 2020	**1,393,657**	**$0.91**
Outstanding at September 30, 2020	2,402,001	$0.82
Granted	1,914,000	$0.60
Forfeited	(123,334)	$0.86
Cancelled	(36,667)	$0.61
Exercisable as at September 30,2021	**2,496,657**	**$0.77**
Outstanding at September 30,2021	**4,156,000**	**$0.71**

At September 30, 2021, the weighted-average life of the options outstanding was 2.1 years (2020 – 3.9 years).

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	2020
Risk-free interest rate	**0.84% to 0.90%**	0.40%
Expected stock price volatility*	**133% to 143%**	169%
Expected life	**5 years**	5 years
Expected dividend yield	**-**	-
Fair value per option granted	**$0.39**	$0.63
Forfeiture rate	**12%**	12%

*Volatility is calculated using historical share price data.

Total share-based payments of $697,992 for the year ended September 30, 2021 (2020 – $390,180) 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, $81,825 (2020 - $12,747) were capitalized to E&E. The Corporation also recognized a recovery of $27,861 (2020 - $26,129) in share-based payments expense due to forfeited options during the year.

10. 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 in light of 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.

11. 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;

11. FAIR VALUE (continued)

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, trade and other payables and note payable approximate their fair values due to their short terms to maturity.

12. 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.

(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 as the Corporation's note payable had a fixed rate of interest and was settled during the year.

(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.

(Expressed in Canadian dollars)

13. GENERAL AND ADMINISTRATIVE

General and administrative details for the year ended September 30:

	2021	2020
Management Fees	**$ 419,908**	$ 509,000
Consulting	**384,675**	401,202
Travel and Meals	**14,079**	52,745
Office and Administrative	**69,342**	32,952
Marketing	**781,178**	339,583
Professional Fees	**167,223**	222,233
Total	**$ 1,836,405**	$ 1,557,816

14. RELATED PARTY TRANSACTIONS

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

As at September 30, 2021, the Corporation had an amount of $36,154 (2020 - $92,861) due to directors and officers included in trade and other payables.

During the year ended September 30, 2021, the Corporation received $nil (2020 - $250,000) from a director of the Corporation through the issuance of a note payable. The note carried interest of 6% per annum calculated monthly. The note plus accrued interest of $3,200 was repaid during the year ended September 30, 2020.

During the year ended September 30, 2021, the Corporation paid $199,680(2020 - $124,350) to an officer for compensation as Vice President Exploration of the Corporation. Costs associated with exploration costs of $23,348 (2020 - $25,673) was paid to an officer of the Corporation. The total amounts have been capitalized to the mineral property as exploration cost.

An aggregate of $121,500 (2020 - $157,500) in consulting fees was paid to a company owned by an officer of the Corporation for compensation as CFO.

An aggregate of $45,000 (2020 - $152,500) in consulting fees were paid to a company owned by an officer of the Corporation for compensation as CEO and President from October 1, 2019 to June 30, 2020 and President from July 1, 2020 to September 30, 2020 of the Corporation. Costs associated with various administrative support costs of $nil (2020 - $2,041) was also reimbursed to an officer of the Corporation and was recorded in general and administrative expenses on the statement of net loss and comprehensive loss.

An aggregate of $216,000 (2020 – $199,000) in consulting fees were paid to a company owned by a director and officer of the Corporation for compensation as CEO. Costs associated with various administrative support costs of $nil (2020 - $5,111) was also reimbursed to a director and officer of the Corporation and was recorded in general and administrative expenses on the statement of net loss and comprehensive loss.

An aggregate of $12,408 (2020 – $nil) was paid to an officer of the Corporation for compensation as Vice President Investor Relations. Costs associated with various administrative support costs of $19,213 (2020 - $nil) was also reimbursed to a director and officer of the Corporation and was recorded in general and administrative expenses on the statement of net loss and comprehensive loss.

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

	September 30, 2021 ($)	September 30, 2020 ($)
Consulting	**594,588**	633,350
Share-based payments	**616,167**	377,433
Capitalized share-based payments	**81,825**	12,747
Total	**1,292,580**	1,023,530

(Expressed in Canadian dollars)

15. INCOME TAXES

The statutory tax rate decreased to 23% effective July 1, 2020 due to a decrease in the Alberta provincial tax rate. 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,	
	2021	2020
Computed "expected" tax at 23.00% (2020 – 25.25%)	**(368,679)**	(618,561)
Increase (decrease) resulting from:		
Share-based payments	**141,718**	95,310
Non-deductible expenses	**221,957**	35,906
Flow-through share renunciation	**1,245,373**	354,430
Rate change	**-**	43,463
Share issuance costs	**(185,449)**	(73,622)
Acquisition of Cassiar (2020)	**670,121**	
Change in deferred tax asset not being recognized	**(1,725,041)**	163,074
	$ -	$ -

Details of the unrecognized deductible temporary differences are as follows:

	September 30,	
	2021	2020
Property and equipment and exploration and evaluation assets	**1.415,384**	4,662,383
Share issue costs	**906,677**	455,640
Non-capital losses	**21,007,882**	12,154,970
Asset retirement obligation	**2,481,230**	-
Unrecognized deductible temporary differences	**$25,881,173**	$17,272,993

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, 2021, the Corporation has Canadian federal and provincial non-capital losses carried forward of $21,007,882 (2020 - $12,154,970). These Canadian losses expire between 2031 and 2041:

2031	$7,723
2032	$504,260
2033	$1,320,335
2034	$727,704
2035	$949,445
2036	$858,210
2037	$1,220,464
2038	$2,766,595
2039	$1,005,280
2040	$1,062,130
2041	$1,732,824
2042	$8,852,912

16. SUBSEQUENT EVENTS

On November 15, 2021, The Corporation’s board of directors approved a new equity compensation plan (the "Share Unit Plan") providing for the issuance of restricted share units ("RSUs") and deferred share units ("DSUs" and, collectively with the RSUs, "Awards"). In connection with the adoption of the Share Unit Plan, the Corporation terminated its previously announced restricted share unit plan (the "Old Plan"). No awards had been made under the Old Plan.

The Share Unit Plan had been established to provide equity-based incentives to eligible employees, consultants, directors and officers of the Corporation. The maximum number of Awards issuable under the Share Unit Plan, together with the number of stock options issuable under the Corporation's stock option plan (the "Option Plan"), may not exceed 10% of the number of issued and outstanding common shares of the Corporation as at the date of a grant under the Share Unit Plan or the Option Plan, as the case may be. Based on the number of common shares currently outstanding, an aggregate of 6,017,977 Awards and/or options can be granted under the Share Unit Plan and/or the Option Plan.

The Share Unit Plan remains subject to the approval of the TSX Venture Exchange and disinterested shareholder approval at the next annual and special meeting of shareholders of the Corporation, expected to occur in the first quarter of 2022. Further details of the Share Unit Plan will be included in the management information circular of the Corporation which will be sent to shareholders and filed on SEDAR in connection with the meeting

The Corporation also granted stock options exercisable to purchase up to an aggregate of 650,000 shares of the Corporation, along with 216,000 RSUs and 394,000 DSUs, to directors, officers, employees, advisors and consultants. The grants are made pursuant to the Corporation's shareholder-approved stock option plan and the Share Unit Plan.

The stock options will be exercisable at a price of $0.79 per share, and will vest over a period of three years, with one third of the options vesting immediately, and one third vesting at the end of each of the first and second anniversary of the date of grant. The options have an expiry of November 15, 2026. Similarly, the RSUs will vest over a period of three years, with one third of the RSUs vesting immediately upon receipt of final approval of the Share Unit Plan from the TSX Venture Exchange, and one third vesting at the end of each of the first and second anniversary of the date of grant.

Pursuant to the Share Unit Plan, each vested RSU entitles the holder to receive, at the discretion of the board of directors of the Corporation, either: (i) one common share of the Corporation; or (ii) a cash amount equal to the closing price of the common shares of the Corporation on the last trading date prior to the vesting date and shall be settled as soon as reasonably practicable following the vesting thereof.

The DSUs shall vest upon the termination of the holder's services to the Corporation (other than termination for cause or without the Corporation's consent) and includes eligible retirement or death of the holder. Pursuant to the Share Unit Plan, each vested DSU entitles the holder to receive, at the discretion of the board of directors of the Corporation, either: (i) one common share of the Corporation or (ii) a cash amount equal to the closing price of the common shares of the Corporation on the last trading date prior to the exercise thereof.

The grant of the equity compensation awards and the adoption of the Share Unit Plan is subject to receipt of the final approval of the TSX Venture Exchange.

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 400,000 common shares.

16. SUBSEQUENT EVENTS (continued)

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 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 January 10, 2022, 150,000 common share purchase warrants were exercised at a price of $0.70 and 388,283 common share purchase warrants were exercised at a price of $0.60. 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.