

ASHLEY GOLD CORP.
(Exploration Development Stage)
CONDENSED INTERIM FINANCIAL STATEMENTS
Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited)

ASHLEY GOLD CORP.

Condensed Interim Statement of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at	September 30, 2022	December 31, 2021
Assets	\$	\$
<u>Current assets</u>		
Cash	346,516	93,753
HST/GST receivable	21,802	18,609
Other receivables	40,664	-
Prepaid expenses and deposit	41,037	-
Due from related parties (Note 5)	-	28,551
	<u>450,019</u>	<u>140,913</u>
Deferred share issuance cost (Note 4b)	-	33,375
Exploration and evaluation assets (Note 3)	593,975	299,796
	<u>1,043,994</u>	<u>474,084</u>
Total Assets	1,043,994	474,084
Liabilities and Shareholder's Equity		
<u>Current liabilities</u>		
Accounts payable and accrued liabilities	84,316	34,663
Due to related parties (Note 5)	8,400	-
	<u>92,716</u>	<u>34,663</u>
<u>Shareholder's equity</u>		
Share capital (Note 4b)	1,015,730	559,103
Shares to be issued	32,500	-
Stock compensation reserves (Note 4d, 4e)	315,512	107,588
Deficit	(412,464)	(227,270)
Total shareholder's equity	<u>951,278</u>	<u>439,421</u>
Total liabilities and shareholder's equity	1,043,994	474,084

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 8)

On behalf of the Board of Directors:

Director (signed by) "George Stephenson"

Director (signed by) "Darcy Christian"

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

ASHLEY GOLD CORP.

Condensed Interim Statement of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended September 30, 2022	Three months ended September 30 2021	Nine months ended September 30 2022	Nine months ended September 30, 2021
	\$		\$	\$
Expense				
Bank charges	323	172	749	669
Marketing expenses	13,150	-	20,126	-
Management fees	24,000	-	36,000	-
Office and administration	1,990	891	8,696	936
Professional fees	19,355	18,006	77,765	50,631
Stockbased compensation (Note 4d)	-	107,588	-	107,588
Stock transfer agent & filing fees	2,912	-	27,774	-
Travel expenses	1,467	-	14,084	-
Loss and comprehensive loss	(63,197)	(126,657)	(185,194)	(159,824)
Loss per common shares – basic and diluted	(0.00)	(0.01)	(0.01)	(0.04)
Weighted average number of common shares outstanding – basic and diluted	17,238,408	9,823,375	16,030,381	3,946,000

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

ASHLEY GOLD CORP.

Condensed Interim Statement of Changes in Shareholder's Equity (Deficit)

(Expressed in Canadian Dollars)

(Unaudited)

	Number of Shares	Share Capital	Shares to be issued	Share Compensation Reserves	Accumulate d Deficit	Total
		\$		\$	\$	\$
Balance at December 31, 2020	100	1	-	-	(12,496)	(12,495)
Share issuance for cash \$0.005	1,750,000	8,750	-	-	-	8,750
Share issuance for cash \$0.02	550,000	11,000	-	-	-	11,000
Debts settlement for share issuance at \$0.05	3,703,525	185,176	-	-	-	185,176
Share issuance for cash \$0.10	3,819,750	381,975	-	-	-	381,975
Share issuance cost	-	(27,799)	-	-	-	(27,799)
Share compensation reserves	-	-	-	107,588	-	107,588
Net loss for the period	-	-	-	-	(159,824)	(159,824)
Balance at September 30, 2021	9,823,375	559,103	-	107,588	(172,320)	494,371
Balance at December 31, 2021	9,823,375	559,103	-	107,588	(227,270)	439,421
Share issuance at \$0.10	7,000,000	700,000	-	-	-	700,000
Share issuance for acquisition	300,000	30,000	-	-	-	30,000
Share purchase warrants	-	(124,654)	-	124,654	-	-
Share issuance cost	-	(168,050)	-	31,686	-	(136,364)
Share issuance at \$0.10	792,000	79,200	-	-	-	79,200
Warrant issuance	-	(49,024)	-	49,024	-	-
Share issuance cost	-	(10,845)	-	2,560	-	(8,285)
Shares to be issued	-	-	32,500	-	-	32,500
Net loss for the period	-	-	-	-	(185,194)	(185,194)
Balance at September 30, 2022	17,915,375	1,015,730	32,500	315,512	(412,464)	951,278

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

ASHLEY GOLD CORP.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Months ended September 30, 2022	Nine Months ended September 30, 2021
	\$	\$
Cash flows used in Operating Activities		
Net loss for the period	(185,194)	(159,824)
Adjustment for items not involving cash:		
Stock based payment	-	107,588
Changes in non-cash operating working capital:		
(Increase) in HST/GST receivable	(3,193)	(3,921)
(Increase) in other receivables	(40,664)	-
(Increase) in prepaid expense and security deposit	22,041	-
(Increase) in deferred share issuance cost	-	(33,375)
Increase in accounts payable and accrued liabilities	49,653	(3,190)
Increase in due to a related party	10,785	-
Net cash used in operating activities	(146,572)	(92,722)
Cash flows used in Investing Activities		
Acquisitions of exploration and evaluation assets	(231,679)	(96,415)
Net cash used in investing activities	(231,679)	(96,415)
Cash flows from financing activities		
Proceeds from share issuance	631,014	373,926
Advanced to related parties	-	(12,520)
Net cash provided by financing activities	631,014	361,406
Increase in cash during the period	252,763	172,269
Cash and cash equivalents, beginning of period	93,753	1,992
Cash and cash equivalents, end of period	346,516	174,261

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

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Notes to the Condensed Interim Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Ashley Gold Corp. (“Ashley” or the “Company”) was incorporated under the Business Corporations Act (*Alberta*) on July 15, 2020. The Company’s registered and operating office is at Suite 1150, 707 – 7th Avenue SW, Calgary, Alberta T2P 3H6.

On April 29, 2022, the Company completed its initial public offering of 7,000,000 units (“Units”), at a price of \$0.10 per unit, for gross proceeds of \$700,000. Each unit consisted of one common share in the capital of the Company and one common share purchase warrant of the Company at an exercise price of \$0.30 for 18 months, expiry on October 29, 2023. For its services, the Agent received a corporate finance fee, a cash commission equal to 10% of the gross proceeds of the Offering, and Agent’s Warrants to purchase 700,000 common shares of the Corporation at an exercise price of \$0.10 exercisable within 18 months from the listing date.

On May 2, 2022, the Common Shares of the Company were to commence trading on the Canadian Stock Exchange (“CSE”) under the trading symbol “ASHL”.

The Company’s principal business activity is the acquisition and exploration of mineral properties in the natural resource sector with the long-term goal of divesting its investment assets at a profit. Ashley’s mandate is to acquire in mining natural resource opportunities, primarily in the Americas. As at September 30, 2022, the Company had not yet achieved profitable operations and had accumulated a deficit of \$412,464. For the three and Nine months ended September 30, 2022, the company incurred \$63,197 and \$185,194 net loss, respectively.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern. The proposed business of the Company involves a high degree of risk and there is no assurance that the Company be successful in acquiring or divesting investment assets. The Company’s ability to continue operations is not assured and is dependent upon the ability of the Company to obtain necessary financing to meet the Company’s liabilities and commitments as they become due and the ability to identify and finance additional investments, generate future returns on investments, and achieve future profitable operations or obtain sufficient proceeds from the disposition of its investments. The outcome of these matters cannot be predicted at this time. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These factors together raise substantial doubt about the Company’s ability to continue as a going concern.

Since February 2020, the coronavirus (“COVID-19”) has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, rapid spread of COVID-19 may have an adverse effect on the Company’s investments. The extent to which COVID-19 may impact the Company’s business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease. As of September 30, 2022, the Company has an accumulated deficit of \$412,464 and expects to incur further loss in the development of its business. As a result, there is a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on November 29, 2022.

2. BASIS OF PRESENTATION

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting and they do not include all of the information required for full annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board.

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2. BASIS OF PRESENTATION (Cont'd)

Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed, and therefore these condensed interim financial statements should be read in conjunction with the Company's December 31, 2021 audited annual financial statements and the notes to such financial statements. These condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Furthermore, these financial statements are presented in Canadian dollars which is the functional currency of the Company and all values are rounded to the nearest dollar.

Accounting standards issued but not yet adopted

The new standards or amendments issued but not yet effective are either not applicable or not expected to have a significant impact on the Company's condensed interim financial statements.

3. EXPLORATION AND EVALUATION ASSETS

Ashley Property: On July 22, 2020, the Company entered into a Property Option Agreement with David Lefort, Jacques Robert, 9640355 Canada Corp. and Randall Salo (together the "Vendors") where the Vendors granted Ashley the exclusive option to acquire 100% of the Ashley Property (the "Ashley Option") (the "Ashley Agreement"). The Ashley property consists of 115 claims totaling 1,759.6 hectares, located in the Hincks, Montrose, Bannockburn, Argyle Township in Ontario about 21 km WNW of Matachewan, in the Larder Lake Mining Division and registered with the Ontario Ministry of Energy, Northern Development and Mines (the "Ashley Property"). If the Company fails to complete a liquidity event within 18 months of the grant of the Ashley Agreement, the Agreement will become null and void. The Vendors would retain 100% interest in the Ashley Property. A liquidity event is defined as all or substantially all of the outstanding common shares of the Company is listed on a Designated Stock Exchange.

On January 12, 2022 and later on March 18, 2022, the Company entered into a first and second amendment agreement, respectively, to extend the Liquidity Event by sixty (60) days to January 22, 2022 and May 22, 2022, respectively as per the Ashley Agreement dated July 22, 2020. In consideration, the Company made a payment of \$40,000 to the Property Owners, in accordance with the terms and conditions.

The Company was required to pay a quarterly-based royalty equals to 2% of Net Smelter Returns to the Vendors, once the Company is on commencement of commercial production.

In consideration of the grant of the Ashley Option, Ashley must:

- Pay the Vendors \$40,000 within 30 days of executing the Ashley Agreement (paid). An additional \$30,000 will be paid if a liquidity event is not completed within 11 months of the date of the Ashley Agreement (paid during the period);
- Issue the Vendors an aggregate of 250,000 common shares of the Pan Pacific Resource Investments Ltd. (issued);
- Complete a minimum of \$100,000 of expenditures and obtain an independent technical report that meets the requirements of National Instrument 43-101 and that recommends further exploration on the Ashley Property within 12 months of execution of the Ashley Agreement (met);
- Pay the Vendors a royalty from any ores or minerals mined or extracted from the Ashley Property, including without limitations the approximately 100,000 tonnes of ore and 145,000 tonnes of tailings currently situated on the Ashley Property.

In order to maintain the Ashley Option and to exercise the Ashley Option in force, Ashley must:

ASHLEY GOLD CORP.

Notes to the Condensed Interim Financial Statements

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3. EXPLORATION AND EVALUATION ASSETS (Cont'd)

- Issue 300,000 common shares of Ashley and pay \$100,000 to the Vendors upon completion of a liquidity event (cash paid and shares issued);
- Within 12 months of a liquidity event, issue 200,000 common shares of Ashley to the Vendors, pay \$50,000 in cash to the Vendors, and pay a further \$50,000 (either in cash, common shares or a combination thereof);
- Within 24 months of completion of a liquidity event, issue 250,000 common shares of Ashley to the Vendors, pay \$200,000 in cash to the Vendors, and incur a minimum of \$200,000 in property expenditures; and
- Within 36 months of completion of a liquidity event, issue 400,000 common shares of Ashley to the Vendors, pay \$300,000 in cash to the Vendors, and incur a minimum of \$330,000 in property expenditures.

Santa Maria Property: On August 2, 2022, the Company entered into a non-arm's length transaction, an Asset Purchase Agreement with a related party, URSA Polaris Developments Corporation ("URSA"), incorporated in Calgary, Alberta to purchase 100% interest in 48 mining claims, (hereinafter known as the "Santa Maria Property") located SE of Dryden, Ontario. URSA is a related corporation as it is owned by an officer and director of the Company. The Company agreed to pay \$10,000 in cash to the owner of the property. As of the filing date of the report, for a cash consideration of \$10,000 paid in full to fully acquire the Santa Maria claims subject to a 1.75% Net Smelter Royalty (NSR).

On September 26, 2022, the Company has purchased a 26-claim block (546 hectares) located SE of Dryden, Ontario, (the "Property"), located approximately 40 km southeast of Dryden, Ontario and about 10 km south of the Trans-Canada Highway #17. Pursuant to the Agreement, Ashley paid \$2,400 for a 100% interest in the "Property" as the filing date of this report. There are no royalties attached to the property.

The Property acquisition provides a contiguous area play with additional excellent exploration opportunities which allows Ashley to expand its footprint of its own known highly prospective mining area, the "Santa Maria". The land position of the Santa Maria is now 1554 hectares (3840 acres).

Howie Lake property: On September 9, 2022, the Company entered into an Asset Purchase Agreement with William Quran (the "Vendor") to purchase a claim block located SE of Dryden, Ontario, known as Howie Lake property, subject to 0.5% royalty with a buyback option at anytime for \$500,000. Pursuant to the agreement, the Company should pay \$10,000 and issue 50,000 common shares of the Company at a deemed price of \$0.10 per share. As of September 30, 2022, the Company paid \$10,000 and issued 50,000 common shares of the Company in the subsequent to the nine months ended September 30, 2022.

Alto-Gardnar property: On September 26, 2022, the Company entered into an Asset Purchase Agreement with William Quran (the "Vendor") to purchase a 15-claim block (315 hectares) located 50 km east of Dryden, Ontario, known as the Alto-Gardnar property, subject to 0.5% royalty with a buyback option at anytime for \$500,000. Pursuant to the agreement, the Company should issue 275,000 common shares of the Company at a deemed price of \$0.10 per share. The Company has issued 275,000 common shares of the Company in the subsequent to the nine months ended September 30, 2022.

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3. EXPLORATION AND EVALUATION ASSETS (Cont'd)

Cost related to the Ashley's Properties can be summarized as follows:

	December 31, 2021	Additions	September 30, 2022
	\$	\$	\$
Ashley Property:			
Acquisition costs			
Shares	25,000	30,000	55,000
Cash	70,000	140,000	210,000
	95,000	170,000	265,000
Exploration costs			
Exploration report	54,584	-	54,584
Equipment expenses	17,355	11,222	28,577
Geologist consulting	83,298	28,950	112,248
Lab test	3,569	-	3,569
Lidar mapping	23,200	27,400	50,600
Structure constitution	2,447	-	2,447
Travel and field expenses	20,343	1,707	22,050
Sub-total, Ashley Property	204,796	69,279	274,075
Santa Maria Property:			
Acquisition costs			
Shares	-	-	-
Cash	-	12,400	12,400
Sub-total, Santa Maria Property	-	12,400	12,400
Howie Lake Property:			
Acquisition costs			
Shares	-	5,000	5,000
Cash	-	10,000	10,000
Sub-total, Howie Lake Property	-	15,000	15,000
Alto-Gardnar Property:			
Acquisition costs			
Shares	-	27,500	27,500
Cash	-	-	-
Sub-total, Alto-Gardner Property	-	27,500	27,500
Total Acquisition and Exploration Costs	299,796	294,179	593,975
Shares	25,000	62,500	87,500
Cash	70,000	162,400	232,400
Exploration Costs	204,796	69,279	274,075
Balance	299,796	294,179	593,975

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Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

3. EXPLORATION AND EVALUATION ASSETS (Cont'd)

	December 31, 2020	Additions	December 31, 2021
	\$	\$	\$
Ashley Property:			
Acquisition costs			
Shares	25,000	-	25,000
Cash	40,000	30,000	70,000
Accrued cash payment	30,000	(30,000)	-
	95,000	-	95,000
Exploration costs			
Geologist consulting	5,308	77,990	83,298
Lidar mapping	54,584	-	54,584
Exploration report	18,000	5,200	23,200
Travel and field expenses	3,113	17,230	20,343
Equipment expenses	1,004	16,351	17,355
Lab test	-	3,569	3,569
Structure constitution	2,447	-	2,447
Sub-total, Ashley Property	84,456	120,340	204,796
Santa Maria Property			
Acquisition cost			
Shares	-	-	-
Cash	-	-	-
Exploration cost			
Sub-total, Santa Maria Property	-	-	-
Howie Property			
Acquisition cost			
Shares	-	-	-
Cash	-	-	-
Exploration cost			
Sub-total, Howie Property	-	-	-
Alto-Gardnar Property			
Acquisition cost			
Shares	-	-	-
Cash	-	-	-
Exploration cost			
Sub-total, Alto-Gardner Property	-	-	-
Total Acquisition and Exploration Costs	179,456	120,340	299,796
Shares	25,000	-	25,000
Cash	70,000	-	70,000
Exploration Costs	84,456	120,340	204,796
Balance	179,456	120,340	299,796

ASHLEY GOLD CORP.

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3. EXPLORATION AND EVALUATION ASSETS (Cont'd)

As at September 30, 2022, total consideration paid on the purchase of the Company's Properties were \$319,900 (December 31, 2021 - \$135,000), consisting of cash payment of \$232,400 (December 31, 2021 - \$40,000) and 550,000 (December 31, 2021 - 250,000) common shares, including the issuance of 250,000 (December 31, 2021 - 250,000) common shares from Pan Pacific Resource Investments Ltd. and 300,000 (December 31, 2021 - Nil) common shares of the Company both at the value of \$0.10 per share for \$55,000 (December 31, 2021 - \$Nil) in total and 325,000 (December 31, 2021 - Nil) common shares of the Company to be issued at the value of \$0.10 per share for \$32,500 (December 31, 2021 - \$Nil) of which were issued on October 11, 2022, subsequent to the nine months ended September 30, 2022. As at September 30, 2022, total \$274,075 (December 31, 2021 - \$120,340) exploration expenses have been spent. During the nine months ended September 30, 2022, total \$69,279 exploration expenses have been incurred.

4. SHARE CAPITAL

a) Authorized: Unlimited number of common shares with no par value
Unlimited number of preferred shares

b) Shares issued and outstanding as of September 30, 2022: 17,915,375 common shares and no preferred shares.

On July 15, 2020, the Company issued 100 common shares of the Company at a price of \$0.01 per share to Pan Pacific Investment Resource Ltd. ("Pan Pacific"), for aggregate gross proceeds of \$1 through seed shares issuance.

On June 1, 2021, the Company closed a private placement and issued 1,750,000 common shares of the Company at a price of \$0.005 per share for gross proceeds of \$8,750.

On June 4, 2021, the Company issued 550,000 common shares of the Company at a price of \$0.02 per share for gross proceeds of \$11,000.

On June 8, 2021, the Company issued 3,703,525 common shares of the Company to settle the \$185,176 loan payable owing to its parent company, Pan Pacific Resource Investments Ltd. ("Pan Pacific") at \$0.05 per share. These shares were then issued to shareholders of Pan Pacific, be paid to the holders of the common shares of Pan Pacific through a dividend in sum of \$92,588, being 50% of the total loan to Pan Pacific.

On June 24, 2021, the Company closed a non-brokered private placement and issued 3,819,750 common shares at a price of \$0.10 per share for gross proceeds of \$381,975. The net cash proceeds will be used for the development of the Company's mineral property, and for general working capital. In connection with the offering, the Company paid 8% finder's fee in cash on a portion of the proceeds raised for a total of \$27,799.

On April 29, 2022, the Company completed its initial public offering of 7,000,000 units ("Units"), at a price of \$0.10 per unit, for gross proceeds of \$700,000. Each unit consist of one common share in the capital of the Company and one common share purchase warrant of the Company at an exercise price of \$0.30 exercisable within 18 months from the listing date, expired on October 29, 2023. For its services, the Agent received a corporate finance fee, a cash commission equal to 10% of the gross proceeds of the Offering, and Agent's Warrants to purchase 700,000 common shares of the Corporation at an exercise price of \$0.10 exercisable within 18 months from the listing date, expiry on Oct. 29, 2023. The Company also incurred \$66,364 in related share issuance costs. Total proceeds of the offering were \$600,174.

On May 12, 2022, Company issued 300,000 common shares of the Company at \$0.10 per share valued \$30,000 and paid \$100,000 cash to the vendors of Ashley Gold Property upon completion of a liquidity event such as trading on CSE pursuant to the property option agreement dated July 22, 2020.

On September 26, 2022, the Company closed its first tranche of its previously announced \$250,000 non-brokered private placement of units ("Units") for gross proceeds of \$79,200. (the "Offering"). The first tranche was comprised of 792,000

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4. SHARE CAPITAL (Cont'd...)

non-flow through units, totaling \$79,200 at \$0.10 per unit, and comprised of one non-flow-through common share and one non-flow-through share purchase warrant at an exercise price of \$0.20 for a period of 24 months.

In connection with the Offering, the Company paid 8% cash finders' fees totaling 3,536, and issued 35,360 finder's warrants at an exercise price of \$0.10 per finder's warrant for a period of 24 months from the closing of the Offering. The net proceeds of \$75,664 from the sale of the Non-Flow Through Shares after the payment of \$3,536 finder's fee in cash will be used to for exploration work on the Santa Maria Property and general working capital.

c) Escrow Shares

On September 20, 2021, the Company entered an escrow agreement (the "Agreement") between the Company, TSX Trust Company and the security holders. There were 4,940,249 common shares of the Company held in escrow. In the simplest case, where there are no changes to the escrow securities initially deposited and no additional escrow securities, then 10% of the escrowed securities shall be released on the listing date, the remaining 90% of the escrowed securities will be released from escrow in 15% tranches at six-month intervals over a 36-month period.

As at September 30, 2022, 4,446,224 (December 31, 2021 - 4,940,249) shares were held in escrow.

d) Stock Options

On September 15, 2021, the Company granted incentive stock options to directors, officers and consultants of the Company to purchase an aggregate of 1,382,337 commons shares at an exercise price of \$0.25 per option, pursuant to the Company's Incentive Stock Option Plan (the "Plan"). The options are vested immediately and exercisable at a period of five years from the date of grant until September 15, 2026.

Under the Black-Scholes, the fair value of the stock options granted was estimated to be \$0.08 per share by using the following assumptions at the measurement date: average risk free interest rate – 1.45%; expected life – 5 years; expected volatility – 128.93% and expected dividends – nil.

A summary of stock option activity as at September 30, 2022 is as follows:

	Number of options	Weighted average exercise price	Weighted Average Remaining Contractual Life (Years)
Balance, December 31, 2020	-	-	-
Stock options granted	1,382,337	\$ 0.25	5.00
Balance, December 31, 2021	1,382,337	\$ 0.25	4.71
Balance, September 30, 2022	1,382,337	\$ 0.25	3.96

f) Warrants

Share Purchase Warrants:

As at September 30, 2022 there were 7,792,000 (December 31, 2021 – Nil) share purchase warrants outstanding:

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4. SHARE CAPITAL (Cont'd...)

	Number of options	Weighted average exercise price	Weighted Average Remaining Contractual Life (Years)
Balance, December 31, 2021	-	-	-
On April 29, 2022	7,000,000	\$ 0.30	1.50
On September 26, 2022	792,000	\$ 0.20	2.00
Balance, September 30, 2022	7,792,000	\$ 0.29	1.75

Agent's warrants:

As at September 30, 2022, there were 735,360 (December 31, 2021 – Nil) agent's warrants outstanding:

	Number of warrants	Weighted average exercise price	Weighted Average Remaining Contractual Life (Years)
Balance, December 31, 2021	-	-	-
On April 29, 2022	700,000	\$ 0.10	1.50
On September 26, 2022	35,360	\$ 0.10	1.50
Balance, September 30, 2022	735,360	\$ 0.10	1.33

The fair value of the share warrants granted was estimated at the date of grant using Black-Scholes option pricing model with following assumptions:

Risk Free Interest Rate	2.75%
Expected Dividend Yield	-
Expected Volatility	95.47%-151.62%
Expected Term in Years	1.5 - 2 years
Fair value of warrants	\$0.02 – \$0.07

As there was no or not enough trading history of the Company's common shares, the expected volatility was based on the historical share price volatility of two groups of comparable companies in the sector the Companies operated over a period similar to the expected life of the Warrants.

During the nine months ended September 30, 2022, the Company recorded fair value of \$153,320 (December 31, 2021: \$Nil) for warrants granted and \$51,581 for finders' warrants (December 31, 2021 - \$Nil).

5. RELATED PARTY TRANSACTIONS

Key management personnel consist of the officers and directors of the Company and companies owned or controlled by the officers and directors of the Company.

For the nine months ended September 30, 2022, the Companies controlled by directors and officers of the Company charged \$36,000 (September 30, 2021 – Nil) in management fees.

As of September 30, 2022, the Company had an aggregate of \$8,400 (December 31, 2021 - \$Nil) in management fees and operating expenses due to the Companies controlled by directors and officers of the Company. The term of the due to related parties is unsecured, non-interest bearing and due on demand.

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5. RELATED PARTY TRANSACTIONS (Cont'd)

As of September 30, 2022, the Company paid back advanced an aggregate of \$23,551 (December 31, 2021 – 28,551) to Pan Pacific Resource Investments Ltd. (“Pan Pacific”), a shareholder of the Company, \$750 was inadvertently deposited directly to Pan Pacific for the share subscriptions to the private placement of the Company, \$2,900 was related to a payment of exploration expenditures and \$19,901 was for working capital of Pan Pacific. The term of the due from related party is unsecured, non-interest bearing and due on demand. As of September 30, 2022, the Company had no fund due from Pan Pacific.

All related party transactions were entered into in the normal course of business and are recorded at the exchange amount established and agreed to between the related parties.

6. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business. The Company considers capital to consist of shareholder’s equity.

The property in which the Company currently has an interest is in the exploration stage; as such the Company will rely on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the periods ended September 30, 2022 and December 31, 2021.

7. FINANCIAL INSTRUMENTS

(a) Fair value

The fair value of the Company’s cash and cash equivalents, due from related parties, due to related parties, share subscription received and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

For the Nine months ended September 30, 2022 and year ended December 31, 2021, the fair value of cash and cash equivalents were measured at fair value.

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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7. FINANCIAL INSTRUMENTS**(b) Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2022, the Company had cash of \$346,516 (December 31, 2021 - \$93,753) to settle the total current liabilities of \$92,716 (December 31, 2020 - \$34,663). As at September 30, 2022, the total working capital of the Company was \$357,303 (December 31, 2021 - \$106,250). The Company believes that these sources will be sufficient to cover the expected short and long term cash requirements, by current cash flow situation and raising funds from private placements.

(c) Credit risk

Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash and cash equivalents. The Company limits its exposure to credit risk by holding its cash and cash equivalents in deposits with high credit quality Canadian financial institutions.

(d) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Management does not believe that the Company is exposed to any material market risk.

8. SUBSEQUENT EVENTS

On October 11, 2022, the Company issued 275,000 and 50,000 common shares of the Company at a deemed \$0.10 per share valued \$32,500 for the acquisitions pursuant to the agreements dated September 6, 2022 and September 29, 2022, respectively.

On October 13, 2022, the Company entered into an asset purchase agreement (the "Agreement") with D.M. Ross (the "Vendor") and agreed to purchase 100% interest in a lease block located approximately 40 km SE of Dryden, known as the Tabor Lake Mine (257.1 hectares). Pursuant to the agreement, the Company shall issue 330,000 common shares at a deemed price of \$0.075 per share on satisfaction of all closing conditions, subject to 1.5% royalty with a buyback option at any time for \$750,000. As of the filing date of this report, the transaction is in the process of completion.