ARCHER EXPLORATION CORP.

Consolidated Financial Statements

For the years ended September 30, 2022 and 2021

(Expressed in Canadian dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Archer Exploration Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Archer Exploration Corp. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2022 and 2021, and the consolidated statements of 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 financial position of the Company as at September 30, 2022 and 2021 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our 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 1 in the consolidated financial statements, which indicates that the Company's ability to continue as a going concern will be dependent upon the ability to obtain the necessary financing to explore and commercialize its mineral claims and administer overhead expenses. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company'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 the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

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 audit 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 audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 IFRS, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 James Roxburgh.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
January 25, 2023

Archer Exploration Corp.
Consolidated Statements of Financial Position
As at September 30, 2022 and 2021
(Expressed in Canadian dollars)

	Note	**September 30, 2022**	September 30, 2021
		$	$
Assets			
Current assets			
Cash		**213,231**	731,346
GST/HST receivable		**95,943**	5,597
Prepaid expenses and deposits	6	**6,650**	761,334
		315,824	1,498,277
Exploration and evaluation assets	7	**-**	37,500
Total assets		**315,824**	1,535,777
Liabilities			
Current liabilities			
Trade and other payables	9	**238,315**	224,611
Total liabilities		**238,315**	224,611
Shareholders' equity			
Share capital	8	**3,186,256**	1,174,961
Warrants	8	**699,457**	429,952
Contributed surplus	8	**414,785**	21,956
Shares to be issued		**-**	427,500
Deficit		**(4,222,989)**	(743,203)
Total shareholders' equity		**77,509**	1,311,166
Total liabilities and shareholders' equity		**315,824**	1,535,777

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on January 25, 2023.

"Tom Meyer"
Director

"Michael Konnert"
Director

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

Archer Exploration Corp.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended September 30, 2022 and 2021
(Expressed in Canadian dollars, except number of shares)

	Note	2022	2021
		$	$
Operating expenses			
Exploration and evaluation		**177,886**	182,807
Filing fees		**26,738**	35,761
General and administrative		**150,788**	36,751
Legal fees		**708,633**	-
Management fees	9	**184,988**	-
Marketing		**30,817**	525
Professional fees		**561,929**	279,999
Rent		**44,000**	12,600
Share-based payments	8, 9	**393,130**	21,956
Total operating expenses		**2,278,909**	570,399
Other expenses (income)			
Foreign exchange gain		**(6,755)**	-
Impairment of exploration and evaluation assets	7	**147,490**	164,413
Interest income		**-**	(15)
Impairment of prepaid expenses and deposits	6	**1,060,142**	-
Total other expenses		**1,200,877**	164,398
Loss and comprehensive loss for the year		**3,479,786**	734,797
Loss per share			
Basic and diluted		**(0.35)**	(0.15)
Weighted average number of shares			
Basic and diluted		**9,893,340**	4,805,728

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

Archer Exploration Corp.
Consolidated Statements of Cash Flows
For the years ended September 30, 2022 and 2021
(Expressed in Canadian dollars)

	Note	2022	2021
		$	$
Operating activities			
Net loss for the year		**(3,479,786)**	(734,797)
Items not affecting cash:			
Share-based payments	8, 9	**393,130**	21,956
Impairment of option agreement rights	7	**147,490**	164,413
Impairment of prepaid expenses and deposits	6	**1,060,142**	-
Changes in non-cash working capital:			
GST/HST receivable		**(90,346)**	(5,597)
Prepaid expenses and deposits		**(305,458)**	(761,334)
Trade and other payables		**13,704**	216,219
Net cash used in operating activities		**(2,261,124)**	(1,099,140)
Investing activities			
Exploration and evaluation costs	7	**(109,990)**	(37,500)
Net cash used in investing activities		**(109,990)**	(37,500)
Financing activities			-
Proceeds from the issuance of units	8	**1,072,499**	-
Proceeds from options exercise	8	**500**	-
Proceeds from warrants exercise	8	**780,000**	-
Proceeds from the issuance of special warrants		**-**	120,000
Proceeds from private placement		**-**	1,148,000
Share issuance costs		**-**	(45,000)
Share subscriptions received		**-**	427,500
Net cash provided by financing activities		**1,852,999**	1,650,500
Net change in cash		**(518,115)**	513,860
Cash, beginning of the year		**731,346**	217,486
Cash, end of the year		**213,231**	731,346
Supplemental disclosure of non-cash transactions:			
Issuance of common shares for amalgamation		**-**	164,413

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

Archer Exploration Corp.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of shares)

	Note	Number of shares	Share capital	Warrants	Contributed surplus	Shares to be issued	Deficit	Total shareholders' equity
		#	$	$	$	$	$	$
Balance, September 30, 2020		3,100,004	217,500	-	-	-	(8,406)	209,094
Issuance of common shares for amalgamation	5	1,096,084	164,413	-	-	-	-	164,413
Issuance of special warrants for cash	8	-	-	120,000	-	-	-	120,000
Issuance of common shares upon special warrant conversion	8	400,000	79,028	(79,028)	-	-	-	-
Private placement issuance for cash		1,913,334	867,928	280,072	-	-	-	1,148,000
Share issuance costs		-	(153,908)	108,908	-	-	-	(45,000)
Share subscriptions received		-	-	-	-	427,500	-	427,500
Share-based payments	8,9	-	-	-	21,956	-	-	21,956
Net loss for the year		-	-	-	-	-	(734,797)	(734,797)
Balance, September 30, 2021		6,509,422	1,174,961	429,952	21,956	427,500	(743,203)	1,311,166
Issuance of special units for cash	8	2,000,000	1,230,494	269,505	-	(427,500)	-	1,072,499
Shares issued on exercise of options	8	1,667	801	-	(301)	-	-	500
Shares issued on exercise of warrants	8	2,600,000	780,000	-	-	-	-	780,000
Share-based payments	8,9	-	-	-	393,130	-	-	393,130
Net loss for the year		-	-	-	-	-	(3,479,786)	(3,479,786)
Balance, September 30, 2022		**11,111,089**	**3,186,256**	**699,457**	**414,785**	**-**	**(4,222,989)**	**77,509**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Archer Exploration Corp. (the "Company") was incorporated under the laws of the Province of British Columbia on October 26, 2018. The Company is focusing on the exploration of mineral claims located in Quebec, Canada. The Company's registered and records office is located at Suite 401 – 353 Water Street, Vancouver, BC V6B 1B8. On February 11, 2021, the shares of the Company began trading on the Canadian Securities Exchange (the "Exchange") under the symbol "RCHR".

These consolidated financial statements for the years ended September 30, 2022 and 2021 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriate use of the going concern assumption as the Company is in the development stage and has not generated any revenues. As at September 30, 2022, the Company has a deficit of $4,222,989 (2021 - $743,203) and for the year ended September 30, 2022, incurred a net loss of $3,479,786 (2021 - $734,797). The Company's continuing operations as intended are dependent upon the ability to obtain the necessary financing to explore and commercialize its mineral claims and administer overhead expenses. Should the Company fail to commercialize its mineral claims, its ability to raise sufficient financing to maintain operations may be impaired and, accordingly, the Company may be unable to realize the carrying value of its net assets. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

As of the date of these financial statements, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be reinstated.

Share consolidation

On November 8, 2022, the Company completed a consolidation of its common shares on a three to one basis. All share and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to common shares are on a post-consolidation basis. Numbers of warrants and stock options and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

Wallbridge transaction

On July 12, 2022, the Company entered into an asset purchase agreement with Wallbridge Mining Company Limited ("Wallbridge") whereby the Company acquired from Wallbridge a 100% interest in certain mineral properties located in Quebec and Ontario in exchange for 66,211,929 common shares of the Company (the "Transaction"). The Company granted to Wallbridge a 2% net smelter return royalty on production from certain of the acquired assets.

As a condition precedent to the closing of the Transaction, the Company was required to complete an equity financing for gross proceeds of at least $10,000,000 (Note 13).

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee.

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on January 25, 2023.

Basis of measurement

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PRESENTATION (continued)

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar. The financial statements are presented in Canadian dollars, except as otherwise noted. References to "USD" are to United States dollars.

Reclassification of comparative amounts

Certain amounts reported in prior years in the financial statements have been reclassified to conform to the current year's presentation.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position. Realized and unrealized exchange gains and losses are recognized in the statements of comprehensive loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Basis of consolidation

These financial statements include the accounts of the Company and its wholly owned subsidiary - 1273600 B.C. Ltd. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. Intercompany balances and transactions are eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash consists of cash on hand and deposits in banks with no restrictions.

b) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

c) Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral interests. Accordingly, once a license to explore an area has been secured, the Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of exploration and evaluation assets. Such costs, include, but are not limited to, geological and geophysical studies, exploratory drilling, and sampling. When commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable resources. The aggregate costs, related to abandoned exploration and evaluation assets are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories:

i. Fair value through profit or loss (FVTPL)
ii. Fair value through other comprehensive income (FVTOCI)
iii. Amortized cost

The determination of the classification of financial assets is made at initial recognition. The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statements of loss and comprehensive loss. The Company has no financial assets in the category as at September 30, 2022 or 2021.

Financial assets at FVTOCI

Financial assets carried at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive loss. The Company has no financial assets in the category as at September 30, 2022 or 2021.

Financial assets at amortized cost

A financial asset is measured at amortized cost if the objective is to hold the financial asset for the collection on contractual cash flows and the asset's contractual cash flows are comprised solely of payments of principal and interest. The financial asset is classified as current or non-current based on its maturity date and is initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company classifies cash in this category.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. The financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Financial liabilities at FVTPL

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statements of loss and comprehensive loss. The Company has no financial liabilities in the category as at September 30, 2022 or 2021.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Other financial liabilities

This category includes trade and other payables, which are recognized at amortized cost using the effective interest method.

The effective interest method calculates the amortized cost of a financial liability and allocates interest expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial liability, or, where appropriate, a shorter period. Transaction costs in respect of financial liabilities at fair value through profit or loss are recognized in the statements of loss and comprehensive loss immediately while transaction costs associated with other financial liabilities are included in the initial measurement of the financial liability.

Financial liabilities are derecognized when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different in which case a new financial liability based on the modified terms is recognized at fair value.

e) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase warrants are recognized as a deduction from equity, net of any tax effects

f) Share purchase warrants

Share purchase warrants are classified as a component of equity. Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the relative fair value method, whereby the total proceeds are allocated to the shares and warrants in proportion to their fair values. The fair value of shares is based on the market close price on the issuance date of the units and the fair value of the share purchase warrants is determined using the Black-Scholes option pricing model at the date of issuance of the units.

Share purchase warrants are initially recorded as a part of warrants in equity at the recognized fair value. Upon exercise of the share purchase warrants the previously recognized fair value of the warrants exercised is reallocated to share capital from warrants. The proceeds generated from the payment of the exercise price are also allocated to share capital. Should the warrants expire before exercise the previously recognized fair value of the warrants expired is reallocated to contributed surplus from warrants.

Where modification to warrant agreements occur, such as an extension of the expiry date, the fair value is reassessed based on the modified terms. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. This incremental fair value is recognized within equity.

g) Share-based payments

The Company grants share-based payments to directors, officers, employees, and service providers. Each tranche in an award is considered a separate award with its own vesting period. The Company applies the fair value method of accounting for share-based payments and the fair value is calculated using the Black-Scholes option pricing model.

Share-based payments or employees and others providing similar services are determined based on the grant date fair value. Share-based payments or non-employees are determined based on the more reliable measurement of the fair value of the goods/services received or the fair value of the share-based payments measured at the date on which the Company obtains such goods/services. Share-based payments is recognized over each tranche's vesting period in earnings or capitalized as appropriate, based on the number of awards expected to vest.

Options and warrants issued as consideration in connection with common share placements are recorded at their fair value on the date of issuance as share issuance costs. On the exercise of stock options and warrants, share capital is recorded for the consideration received and for the fair value amounts previously recorded to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to equity financing transactions are recorded as share issue costs when the financing transactions are completed if the completion of the transaction is considered likely. Otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

i) Loss per share

Basic loss per share are computed using the weighted average number of common shares outstanding during the year. Diluted earnings per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. If the Company incurs net losses in a fiscal year, basic and diluted losses per share are the calculated in the same manner. In the Company's case, diluted loss per share is the same as basic loss per share as the effect of outstanding share options and warrants on loss per share would be anti-dilutive.

j) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the statements of loss and comprehensive loss except to the extent it relates to items recognized directly in equity.

k) Current income tax

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

l) Deferred income tax

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 and, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). 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. Deferred income tax assets and deferred income tax liabilities are offset only when there is a legally enforceable right to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and related disclosures. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgment is used mainly in determining how a balance or transaction should be recognized in the financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Significant areas where management's judgment has been applied include:

a) Impairment of exploration and evaluation assets

In accordance with the Company's accounting policy, the Company's exploration and evaluation assets are evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is often judgmental, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, metal prices, future plans for the Company's mineral properties and mineral resources and/or reserve estimates.

b) Going concern

These financial statements have been prepared using IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations for the foreseeable future.

Significant areas requiring the use of management estimates and assumptions include:

a) Fair value calculation of share-based payments

The fair value of share-based payments in relation to the options granted is calculated using a Black-Scholes option pricing model. There are a number of estimates used in the calculation such as the expected option life, rate of forfeiture of options granted, risk-free interest rate used and the future price volatility of the underlying security, which can vary from actual future events. The factors applied in the calculation are management's best estimates based on industry averages and future forecasts

b) Assessing whether deferred tax assets and liabilities are recognized in accordance with International Accounting standard 12 *Income Taxes*

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

5. AMALGAMATION

On October 13, 2020, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") between the Company, Altair Capital Corp. ("Altair") and 1269569 B.C. Ltd., a wholly owned subsidiary of the Company, whereby the entities will continue operations as one company as the Company. As consideration, the Company issued 248 common shares for each Class A common share of Altair, and one common share for each Class B common share of Altair, to the shareholders of Altair. The Company issued in total 1,096,084 common shares at a fair value of $0.15 per share, which was the share price of the most recent private placement prior to the Amalgamation Agreement for gross proceeds of $164,413.

Included in the Amalgamation Agreement was the acquisition of a right held by Altair to an option agreement for mining properties. The valuation of the right to option was calculated based on the issuance of 1,096,084 common shares at a fair value of $0.15 per share for aggregate consideration of $164,413 and was recorded an intangible asset. On January 4, 2021, the Company decided not to pursue the Altair property outlined in the agreement. Accordingly, the right to option agreement asset that was acquired through the Altair transaction was analyzed by management and was fully written off during the year ended September 30, 2021.

(Expressed in Canadian dollars, except where noted)

6. PREPAID EXPENSES AND DEPOSITS

On September 7, 2021, the Company signed a non-binding letter of intent to acquire all of the issued and outstanding common shares of a third-party company for an aggregate 2,524,772 common shares of the Company. Pursuant to the letter of intent, the Company paid a non-refundable deposit in relation to maintaining property licences of $761,334 (USD $600,000) relating to an exploration and evaluation asset. On July 13, 2022, the Company announced they had terminated the letter of intent and funds previously advanced would be forgiven.

On October 15, 2021, the Company signed a non-binding letter of intent to acquire all of the issued and outstanding common shares of a third-party company. Pursuant to the letter of intent, the Company paid a non-refundable deposit $298,808 (USD 235,000) relating to an exploration and evaluation asset.

During the year ended September 30, 2022, in connection with the termination of the letters of intent, the prepaid expenses and deposits amounting to $1,060,142 were fully written off.

7. EXPLORATION AND EVALUATION ASSETS

Caster Property

On August 1, 2020, the Company entered into an option agreement with Geomap Exploration Inc. ("Geomap") whereby the Company was granted an exclusive option to acquire a 100% interest in Caster Property located in Lac Paul, Quebec.

Under the terms of the option agreement, the Company is required to make the following payments:

- $37,500 within 90 days of the agreement date (paid on October 27, 2020);
- $50,000 on or before May 31, 2022 (unpaid); and
- $75,000 on or before February 11, 2023.

In addition, the Company is required to issue 250,000 common shares, as follows:

- 83,333 common shares on or before May 31, 2022 (not issued); and
- 166,667 common shares on or before February 11, 2023.

The Company is required to incur a minimum of $410,000 of expenses on the property, as follows:

- $110,000 on or before February 11, 2022 (completed); and
- an additional $300,000 on or before February 11, 2023.

Geomap retained a 3.0% net smelter royalty on the property, of which one third (or 1.0%) can be repurchased by the Company at any time for $1,000,000.

On May 31, 2022, the Company decided not to pursue the Caster Property. Accordingly, the right to option agreement asset was analyzed by management, which elected to discontinue payments and was fully written off during the year ended September 30, 2022.

	Caster Property
	$
Balance, September 30, 2020	-
Acquisition costs	37,500
Balance, September 30, 2021	37,500
Exploration and evaluation costs	109,990
Impairment of option agreement rights	(147,490)
Balance, September 30, 2022	**-**

(Expressed in Canadian dollars, except where noted)

8. SHARE CAPITAL

a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

b) Share issuances

During the year ended September 30, 2022, the Company had the following share transactions:

On October 1, 2021, the Company closed a non-brokered private placement for gross proceeds of $1,499,999 from the issuance of 2,000,000 units (the "Units") at a price of $0.75 per Unit (the "Private Placement"). Each Unit consists of one common share and one-half warrant. A whole warrant may be exercised for one common share at price of $1.50 for a period of twenty-four months from the closing date of the Private Placement. Gross proceeds were allocated between share capital and warrants using the relative fair value method. As a result, $1,230,494 was allocated to share capital and $269,505 was allocated to warrants. The fair value of the common shares was based on the market close on the date the Units were issued, and the fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions:

	October 1, 2021
Share price	$0.825
Expected life	2 years
Expected volatility	111.00%
Risk-free rate	0.51%
Dividend yield	0.00%

On January 26, 2022, the Company issued 1,667 common shares for gross proceeds of $500 on the exercise of stock options. As a result, $301 was reallocated from contributed surplus to share capital.

During the year ended September 30, 2022, the Company issued a total of 2,600,000 common shares for gross proceeds of $780,000 on the exercise of warrants.

During the year ended September 30, 2021, the Company had the following share transactions:

On November 6, 2020, the Company issued 1,096,084 common shares with a fair value of $164,413 to enter into the Amalgamation Agreement, which included the acquisition of the right to an option agreement (Note 5).

On February 3, 2021, the 400,000 special warrants were automatically converted into units, following the final receipt and listing of the Company on the Exchange. The units consisted of 400,000 common shares and 400,000 share purchase warrants exercisable at $0.45 with an expiry date of February 3, 2023.

On July 20, 2021, pursuant to a private placement, the Company issued 1,913,334 Units of the Company at $0.60 per share for gross proceeds of $1,148,000. Each unit consists of one common share and one-half common share purchase warrant to acquire an additional common share for $1.50 for a period of twenty-four months from the date of closing. As a result, $867,928 was allocated to share capital and $280,072 was allocated to warrants. The fair value of the common shares was based on the market close on the date the units were issued, and the fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions:

	July 20, 2021
Share price	$2.25
Expected life	2 years
Expected volatility	108.00%
Risk-free rate	0.46%
Dividend yield	0.00%

In connection with the private placement closed on July 20, 2021, the Company also paid out finders' fees totalling $45,000 cash and issuing 75,000 broker warrants with the same terms as the warrants noted above. As a result, $108,908 was recorded in the warrants for fair value of the broker warrants.

(Expressed in Canadian dollars, except where noted)

8. SHARE CAPITAL (continued)

c) Special warrants

On November 20, 2020, the Company issued 400,000 special warrants at a price of $0.30 for proceeds of $120,000. In February 2021, the 400,000 special warrants were automatically converted into units, following the final receipt and listing of the Company on the Exchange. The units consisted of 400,000 common shares and 400,000 share purchase warrants exercisable at $0.45 and expiring two years from the grant date. The total fair value of the common shares was $79,028. The share purchase warrants were valued at $40,972 using the Black-Scholes option pricing model with the following assumptions:

	February 3, 2021
Share price	$0.30
Expected life	2 years
Expected volatility	119.00%
Risk-free rate	0.21%
Dividend yield	0.00%

d) Warrants

A summary of the Company's warrant activities for the years ended September 30, 2022 and 2021 is as follows:

	Number of warrants	**Weighted average exercise price**
	#	$
Balance, September 30, 2020	2,600,000	0.30
Issued	1,431,663	1.21
Balance, September 30, 2021	4,031,663	0.62
Issued	999,987	1.50
Exercised	(2,600,000)	0.30
Balance, September 30, 2022	**2,431,650**	**1.33**

A summary of the Company's warrants outstanding at September 30, 2022 is presented below:

Expiry date	**Weighted average exercise price**	**Number of warrants**	**Weighted average remaining life**
	$	#	years
February 3, 2023	0.45	400,000	0.35
July 20, 2023	1.50	1,031,663	0.80
October 1, 2023	1.50	999,987	1.00
Balance, September 30, 2022	**1.33**	**2,431,650**	**0.81**

e) Stock options

The Company has a Stock Option Plan (the “Plan”) under which directors, employees and consultants are eligible to receive stock option grants. Under the Plan, granted options are exercisable over periods up to 10 years as determined by the Board of Directors. The maximum number of outstanding options under the plan is limited to 10% of the number of issued and outstanding common shares.

The exercise price of each option is determined by the Board of Directors at the time of grant and cannot be less than the price permitted by the Exchange. Currently, the Exchange requires that the exercise price of options must be equal to or greater than the discounted market price (as defined in the policies of the Exchange). The exercise price of options is solely payable in cash. The Board of Directors has the discretion to determine the term and vesting provisions of any options granted under the Plan at the time of grant subject to the policies of the Exchange.

(Expressed in Canadian dollars, except where noted)

8. SHARE CAPITAL (continued)

A summary of the Company's stock option activities for the years ended September 30, 2022 and 2021 is as follows:

	Number of options	Weighted average exercise price
	#	$
Balance, September 30, 2020	-	-
Granted	348,438	0.36
Balance, September 30, 2021	348,438	0.36
Granted	500,000	1.53
Cancelled	(160,059)	0.36
Exercised	(1,667)	0.30
Balance, September 30, 2022	**686,712**	**1.21**

A summary of the Company's stock options outstanding and exercisable at September 30, 2022 is presented below:

Expiry date	Weighted average exercise price	Number of outstanding options	Number of exercisable options
	$	#	#
October 15, 2022	0.30	13,333	13,333
January 12, 2023	0.36	40,015	40,015
June 8, 2026	0.36	133,364	48,012
October 20, 2026	1.53	500,000	20,000
Balance, September 30, 2022	**1.21**	**686,712**	**121,360**

The weighted average remaining contractual life of stock options outstanding is 3.69 years.

On October 20, 2021, the Company granted an aggregate of 500,000 stock options to a director and officers of the Company. These stock options have an exercise price of $1.53, a five-year life, and vest over a period of 3 years with 20% vested upon the date of grant, 20% will vest on October 20, 2022, 20% will vest on October 20, 2023, and 40% will vest on October 20, 2024.

The fair value of the stock options granted was calculated using the Black-Scholes option pricing model with the following assumptions:

	October 20, 2021
Share price	$1.53
Expected life	5 years
Expected volatility	113.00%
Risk-free rate	1.29%
Dividend yield	0.00%

During the year ended September 30, 2022, the Company recorded $393,130 (2021 - $21,956) of share-based payments expense related to the options granted by the Company net of cancellations.

During the year ended September 30, 2022, the weighted average share price on the date of exercise was $1.26 per share (2021 - $nil).

9. RELATED PARTY TRANSACTIONS

The Company has identified its directors, officers and companies controlled by them as its key management personnel. Amounts paid to key management personnel and/or entities over which they have control during years ended September 30, 2022 and 2021 are as follows:

(Expressed in Canadian dollars, except where noted)

9. RELATED PARTY TRANSACTIONS (continued)

	2022	2021
	$	$
General and administrative paid to related company	**93,500**	-
Management fees paid to officers	**140,238**	126,321
Rent paid to related company	**44,000**	-
Share-based payments made to officers and directors	**59,078**	15,077

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which is the amount agreed to by the related parties.

During the year ended September 30, 2022, the Company paid management fees of $30,000 (2021 - $20,993) to the Chief Financial Officer ("CFO"), $74,797 to the former Chief Executive Officer ("CEO") (2021 - $ 101,229), $22,500 to the former interim CEO (2021 - $nil), $12,941 to the President and CEO of the Company (2021 - $nil), and $nil to directors of the Company (2021 - $ 4,100).

During the year ended September 30, 2022, the Company paid general and administrative expenses of $93,500 (2021 - $nil) and rent of $44,000 (2021 - $nil) to Inventa Capital Corp., a company controlled by a director of the Company.

During the year ended September 30, 2022, the Company recorded share-based compensation of $1,221 related to options issued to the CFO (2021 - $1,482), $nil related to options issued to the former CEO (2021 - $12,294), $38,750 related to options issued to the former interim CEO (2021 - $nil), $23,250 related to options issued to a director (2021 - $1,000) and $nil related to options issued to the former Vice President of Exploration (2021 - $301) related to the vesting of stock options granted to the key management personnel. Additionally, the Company recorded a reversal of share-based compensation of $4,144 relating to the expiry of unvested stock options of the former CEO.

As at September 30, 2022, the Company had $30,257 (September 30, 2021 - $46,916) due to related parties included in trade and other payables. Interest is not charged on outstanding balances and there are no specific terms of repayment.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value

As at September 30, 2022, the fair value of the financial instruments cash and trade and other payables are classified and measured at amortized cost. The carrying value of cash and trade and other payables approximate the fair value due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company has minimal exposure of credit risk on its cash as the Company's cash is held with major Canadian financial institutions.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. There is no assurance that the necessary financing will be available in a timely manner or on terms acceptable to the Company.

d) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest rate risk

The Company is not exposed to significant interest rate risk on the basis that it does not hold any financial liabilities subject to movements in interest rates.

Foreign currency risk

Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company is mainly exposed to foreign currency risk on financial instruments (consisting of cash and trade and other payables) denominated in US dollars. It is not exposed to a material degree of currency risk because it has few transactions in foreign currencies and does not have foreign mineral properties.

11. DEFERRED INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2022	2021
	$	$
Loss for the year	**(3,479,786)**	(734,797)
Expected income recovery	**(940,000)**	(198,000)
Non-deductible expenditures and non-taxable revenues	**107,000**	50,000
Non-deductible portion of capital item	**143,000**	-
Share issuance costs	**-**	(12,000)
Change in unrecognized deferred tax assets	**690,000**	160,000
Provision for income tax recovery	**-**	-

The significant components of the Company's deferred tax assets and liabilities are as follows:

Deferred tax assets	**2022**	2021
	$	$
Share issuance costs and financing fees (20(1)(e))	**7,000**	10,000
Allowable capital losses	**143,000**	-
Non-capital losses	**542,000**	103,000
Exploration and evaluation assets	**137,000**	49,000
Unrealized foreign exchange losses	**1,000**	-
Net deferred tax asset	**830,000**	162,000

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2022	**Expiry date range**	2021	Expiry date range
Temporary differences	**$**		$	
Share issuance costs and financing fees (20(1)(e))	**27,000**	**2022 to 2045**	36,000	2021 to 2045
Allowable capital losses	**530,000**	**No expiry date**	-	No expiry date
Non-capital losses	**2,008,000**	**2040 to 2042**	383,000	2021 to 2041
Exploration and evaluation assets	**508,000**	**No expiry date**	183,000	No expiry date
Unrealized foreign exchange losses	**9,000**	**No expiry date**	-	No expiry date
	3,082,000		602,000	
Canada	**3,082,000**		602,000	

12. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to continue as a going concern and support its exploration of mineral claims. The Company obtains funding primarily through issuing common stock. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the year ended September 30, 2022. The Company is not subject to externally imposed capital requirements.

13. SUBSEQUENT EVENTS

General

On October 12, 2022, the Company held a special meeting of its shareholders. At the meeting shareholders approved the appointment of six directors to the Company's Board of Directors, subject to the completion of the Wallbridge transaction, and a new omnibus equity incentive plan.

Stock options, Restricted stock units and Deferred stock units

On October 7, 2022, the Company received $2,000 from the exercise of 6,666 stock options with an exercise price of $0.30 per option.

On October 15, 2022, 6,667 stock options expired unexercised.

On December 6, 2022, on termination of a contract with a consultant, 50,018 unvested stock options were forfeited, and 33,346 vested stock options were given a 12-month term from termination date, bringing the expiry date from June 8, 2026 to December 6, 2023. In addition, on termination the Company agreed to pay the consultant $309,958 in severance.

On December 13, 2022, the Company granted 2,325,000 stock options to certain directors, officers, employees and consultants. The stock options are exercisable until December 13, 2027 at an exercise price of $0.55 per stock option, and vest in three equal installments commencing on the date of the grant. In addition, the Company granted 350,000 Restricted Share Units ("RSUs") to certain officers, employees and consultants and 1,100,000 Deferred Share Units ("DSUs") to certain directors of the Company. The RSUs will vest in three equal installments commencing on the first anniversary of the grant date and the DSUs will not vest until such time as the director ceases to be a director of the Company, provided that no DSUs will vest within 12 months of the grant date.

Wallbridge transaction

On November 18, 2022, the Company announced that it closed the Transaction and issued Wallbridge 66,211,929 common shares. The assets acquired included 2,046 mining titles, including a 100% interest in the Grasset nickel sulphide deposit, as well as cash in the amount of $2,652,997, representing proceeds received by Wallbridge following the sale of certain shares it held in Lonmin Canada Inc.

The Company also agreed to assume obligations under the closure plan relating to Wallbridge's Broken Hammer open pit mine which ceased operation in 2015 (the "Mine Closure Plan"). Wallbridge has posted a standby letter of credit in the amount of $361,245 to provide financial assurance for the Mine Closure Plan. The Company has agreed to provide a replacement letter of credit within 90 days of closing of the acquisition.

In connection with the Transaction and pursuant to a finder's fee agreement dated June 10, 2022, the Company issued 1,655,298 common shares to two arm's length parties as compensation for the introduction of the Company and Wallbridge.

13. SUBSEQUENT EVENTS (continued)

Brokered private placement

On November 18, 2022, in connection with the closing of the Transaction, the Company completed a private placement for gross proceeds of approximately $10,182,500. The private placement consisted of the issuance of: (i) 4,545,455 non-flow-through units of the Company at a price of $0.66 per non-flow-through unit; (ii) 4,243,334 flow-through units of the Company at a price of $0.75 per flow-through unit; and (iii) 2,898,550 charity flow-through units of the Company at a price of $1.38 per charity flow-through unit, whereby each unit consists of one common share and one warrant. Each unit warrant entitles the holders to purchase one common share of the Company at an exercise price of $1.02 per share, and has an expiry date of November 18, 2024.

In connection with the completion of the private placement, the Company paid a cash finder's fee of $618,919 and issued 385,031 non-transferrable broker warrants. Each broker warrant entitles the holders to purchase one common share of the Company at an exercise price of $0.66 per share, and has an expiry date of May 18, 2024.