CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022, AND 2021

(expressed in Canadian dollars)

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Currie Rose Resources Inc.

Opinion

We have audited the consolidated financial statements of **Currie Rose Resources Inc.** ("the Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and December 31, 2021, and the consolidated statements of net loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to 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 **Currie Rose Resources Inc.** as at December 31, 2022 and December 31, 2021 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 (f) in the consolidated financial statements, which indicates that the Company has not yet achieved profitable operations, has accumulated losses of $19,643,798 (2021 - $18,929,218), working capital of $2,009,376 (2021 - $(305,135)) and net comprehensive loss for the year of $678,777 (2021 - 1,942,967) and expects to incur future losses in the development of its business. As stated in Note 2 (f), these events or conditions, along with other matters as set forth in Note 2 (f), 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.

Key Audit Matters

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

<u>Evaluation of Material Uncertainty Related to Going Concern</u>

Description of the matter

We draw attention to Note 2 (f) to the financial statements. At each reporting date, the Entity assesses its ability to continue as a going concern. Whether the Entity is able to continue as a going concern is a significant management judgment.

Why the matter is a key audit matter

We identified the evaluation of the Entity's ability to continue as a going concern as a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgment in the evaluation of the results of our procedures.

How the matter was addressed in the audit

The primary procedure we performed to address this key audit matter included the following:

We evaluated the appropriateness of the Entity's key strategy to resolve the situation given the current financial position and cash flows from operations.

To the Shareholders of Currie Rose Resources Inc. (Continued)

Key Audit Matters (Continued)

Evaluation of Capitalized Resource Property Costs for Potential

Description of the matter

We draw attention to Note 8 to the financial statements. The investment in the Vanadium resource properties is $1,050,647 as at December 31, 2022. At each reporting date, the Entity must consider whether there is objective evidence of impairment in the resource properties as a result of events that have occurred after the initial recognition of the resource property costs (a "loss event") and whether that loss event (or events) has an impact on the estimated recoverability of the resource properties. The entity's assessment of whether there are any indicators that the carrying value of its investment in Vanadium resource properties may be impaired is a significant management judgment.

Why the matter is a key audit matter

We identified the evaluation of evidence of impairment for the Vanadium resource properties as a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgment in the evaluation of the results of our procedures.

How the matter was addressed in the audit

The primary procedure we performed to address this key audit matter included the following:
We evaluated the appropriateness of the Entity's impairment analysis by assessing the Vanadium resource properties for any indicators of impairment in accordance with IFRS 6.

Evaluation of the Acquisition of the Vanadium Resource Properties

Description of the matter

We draw attention to Note 5 to the financial statements. The acquisition value of the Vanadium resource properties was accounted for as an asset purchase for consideration of $868,441. The assessment of the transaction as an asset purchase and the related calculation of the fair value of the acquisition is a complex assessment and calculation and requires significant management judgment.

Why the matter is a key audit matter

We identified the assessment of the transaction as an asset purchase and calculation of the fair value of the acquisition of the Vanadium resource properties as a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgment in the evaluation of the results of our procedures.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:
We evaluated the appropriateness of the Entity's position that the transaction represented an asset purchase based on the criteria in IFRS 3 and recalculated the fair value of the consideration for the transaction.

Evaluation of the Valuation of Stock Options Issued in the Year

Description of the matter

We draw attention to Note 3 (f) and Note 12 to the financial statements. The stock options granted are valued at $186,647 as at December 31, 2022. As these options are fully vested immediately, the Entity determines the fair value of the stock options and expenses such amount immediately. The assessment of the fair value of the stock options is a complex calculation and requires significant management judgment.

Why the matter is a key audit matter

We identified the fair value of the stock options as a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgment in the evaluation the results of our procedures.

Independent Auditor's Report

To the Shareholders of Currie Rose Resources Inc. (Continued)

Key Audit Matters (Continued)

<u>Evaluation of the Valuation of Stock Options Issued in the Year</u> (Continued)

How the matter was addressed in the audit

The primary procedure we performed to address this key audit matter included the following:
We evaluated the appropriateness of the Entity's fair value analysis by assessing the inputs and assumptions used in the Black Scholes Model. We then recalculated the fair value.

<u>Evaluation of the Valuation of Warrants Issued in the Year</u>

Description of the matter

We draw attention to Note 3 (f) and Note 11 to the financial statements. The warrants granted are valued at $1,062,253 as at December 31, 2022. The Entity determines the fair value of the warrants and capitalizes such amounts upon issuance. The assessment of the fair value of the warrants is a complex calculation and requires significant management judgment.

Why the matter is a key audit matter

We identified the fair value of the warrants as a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgment in the evaluation of the results of our procedures.

How the matter was addressed in the audit

The primary procedure we performed to address this key audit matter included the following:

We evaluated the appropriateness of the Entity's fair value analysis by assessing the inputs and assumptions used in the Black Scholes Model. We then recalculated the fair value.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 it 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.

To the Shareholders of Currie Rose Resources Inc. (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As a 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:

- Identity 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 a 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 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 condition 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

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

The engagement partner on the audit resulting in this independent auditor's report is Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants

St. Catharines, Ontario
March 15, 2023

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022, AND DECEMBER 31, 2021

(Expressed in Canadian dollars)

	Note		2022		2021
ASSETS					
Current Assets					
Cash and cash equivalents		$	2,286,748	$	65,886
Accounts receivable	6		16,385		10,272
Prepaid expenses			5,368		5,029
Security deposit	8		9,196		-
Marketable securities	7		17,225		79,500
			2,334,922		160,687
Non-current Assets					
Resource properties	5,8		1,050,649		2
Total Assets		$	3,385,571	$	160,689
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	9,14	$	315,621	$	465,822
			315,621		465,822
SHAREHOLDERS' EQUITY					
Share capital	10		19,758,138		16,963,103
Contributed surplus			1,516,555		1,449,480
Warrants reserve	11		1,062,253		-
Share based payments reserve	12		306,448		186,876
Accumulated deficit			(19,633,873)		(18,929,218)
Accumulated other comprehensive income			60,429		24,626
Total Shareholders' Equity/(Deficit)			3,069,950		(305,133)
Total Liabilities and Shareholders' Equity		$	3,385,571	$	160,689

Nature of operations and going concern (Note 1 and Note 2)
Commitments and contractual obligations (Note 15)

Approved on behalf of the Board:

"Michael Griffiths" Director *"Stephen Coates"* Director

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR ENDED DECEMBER 31, 2022, AND 2021

(Expressed in Canadian dollars)

	Note	2022	2021
Expenses			
Management fees	14	167,000	192,000
Listing fees and shareholder information		153,049	37,108
Professional fees		67,065	51,664
General and administration		80,272	17,221
Share-based compensation	12	186,647	-
Total Expenses		**(654,033)**	**(297,993)**
Loss from operations before undernoted items		**(654,033)**	**(297,993)**
Interest income		11,528	-
Write-off of Resource Projects	8	-	(1,500,444)
(Decrease)/Increase in fair value of marketable securities	7	(62,275)	(135,451)
Gain on debt settlement	14	-	60,000
Realized gain/(loss) on sale of marketable securities	7	125	(69,079)
Net loss for the year		**(704,655)**	**(1,942,967)**
Other comprehensive income			
Foreign exchange gain on translating foreign operations		35,803	-
Other comprehensive income for the year		**35,803**	**-**
Comprehensive loss for the year		**(668,852)**	**(1,942,967)**
Weighted average shares outstanding			
- Basic and diluted	10	94,209,470	46,273,927
Loss per share - basic and diluted		$ (0.007)	$ (0.042)

The accompanying notes form an integral part of these consolidated financial statements

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

(Expressed in Canadian dollars)

	Share Capital		Reserves					
	Number of shares	Dollar amount	Contributed Surplus	Warrants	Share based payments	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2021	**41,831,004**	**$ 16,358,373**	**$ 1,441,480**	**$ 8,000**	**$ 186,876**	**$ (16,986,251)**	**$ 24,626**	**$ 1,033,104**
Issuance of shares to Accelerate on debt conversion (Note 8)	8,333,334	500,000	-	-	-	-	-	500,000
Issuance of common shares on debt settlement (Note 14)	4,000,000	140,000	-	-	-	-	-	140,000
Share issue costs - cash	-	(35,270)	-	-	-	-	-	(35,270)
Expiry of warrants	-	-	8,000	(8,000)	-	-	-	-
Net loss and comprehensive loss for the period	-	-	-	-	-	(1,942,967)	-	(1,942,967)
Balance, December 31, 2021	**54,164,338**	**16,963,103**	**1,449,480**	**-**	**186,876**	**(18,929,218)**	**24,626**	**(305,133)**
Issuance of common shares on private placement (Note 10)	95,360,895	2,307,073	-	880,972	-	-	-	3,188,045
Issuance of shares on acquisition (Note 5)	25,000,000	750,000	-	118,441	-	-	-	868,441
Expiry of options	-	-	67,075	-	(67,075)	-	-	-
Share issue costs	-	(262,038)	-	62,840	-	-	-	(199,198)
Share based payments (Note 12)	-	-	-	-	186,647	-	-	186,647
Other comprehensive income	-	-	-	-	-	-	35,803	35,803
Net loss for the period	-	-	-	-	-	(704,655)	-	(704,655)
Balance, December 31, 2022	**174,525,233**	**$ 19,758,138**	**$ 1,516,555**	**$ 1,062,253**	**$ 306,448**	**$ (19,633,873)**	**$ 60,429**	**$ 3,069,950**

The accompanying notes form an integral part of these consolidated financial statements

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

(Expressed in Canadian dollars)

	Note	2022	2021
Cash Flows from Operating Activities			
Net loss for the year		$ (704,655)	$ (1,942,967)
Non-cash items:			
Share based compensation	12	186,647	-
Gain on debt settlement	14	-	(60,000)
Write-down of Rossland Project		-	1,500,444
Realized loss/(gain) on sale of marketable securities	7	(125)	69,079
Decrease in fair value of marketable securities	7	62,275	135,451
		(455,858)	(297,993)
Net change in non-cash working capital items:			
Accounts receivable		(6,113)	7,734
Prepaid expense		(339)	(913)
Security deposit	8	(9,196)	-
Accounts payable and accrued liabilities		(150,201)	226,602
Cash Flows used in operating activities		**(621,707)**	**(64,570)**
Cash Flows from Investing Activities			
Resource property expenditures	8	(182,206)	(152,661)
Proceeds on sale of marketable securities	7	125	44,470
Cash Flows used in investing activities		**(182,081)**	**(108,191)**
Cash Flows from Financing Activities			
Advance from Accelerate, net of transaction costs	8	-	159,156
Issuance of shares, net of transactions costs	10	2,988,847	-
Cash Flows from financing activities		**2,988,847**	**159,156**
Effect of exchange rates on cash		35,803	-
Increase/(decrease) in cash		**2,220,862**	**(13,605)**
Cash, beginning of the year		65,886	79,491
Cash, end of the year		**$ 2,286,748**	**$ 65,886**
Supplemental disclosure of cash flow information			
Accounts payable settled in shares		-	200,000

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS

Currie Rose Resources Inc. ("Currie Rose" or the "Company") was incorporated under the Canada Business Corporations Act on August 24, 1973. It is a public company that trades on the TSX Venture Exchange under the symbol "CUI.V". Currie Rose is a precious metal explorer focused on identifying high value assets and delivering responsible exploration outcomes that meet shareholder expectations and provide community opportunities. The head office and principal address ofthe Company is located at 401 Bay Street, Suite 2704, Toronto, Ontario, Canada, M5H 2Y4.

2. BASIS OF PRESENTATION AND GOING CONCERN

(a) Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issuance by the Board of Directors on March 15, 2023.

(b) Basis of presentation and consolidation

Unless otherwise stated, the consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency as the Company is based in Canada and obtains most of its financing through Canadian dollar private placements.

These consolidated financial statements include accounts of the Company and its wholly owned subsidiary, Currie Rose Vanadium Pty Ltd. incorporated in Australia. Subsidiaries are entities the Company controls when it has the power, directly or indirectly to govern the financial and operating policies of an entity, and it is exposed, or has rights, to variable returns from its involvement with the entity.

(c) Functional and presentation currency

All figures presented in the consolidated financial statements are reflected in Canadian dollars, which is the functional currency of the parent. The functional currency of the wholly owned subsidiary Currie Rose Vanadium Pty Ltd. is the Australian dollar.

Foreign currency transactions are translated into the functional currency of the related entity at the exchange rate in effect on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the related entity at the foreign exchange rate applicable at the consolidated statement of financial position date. Non-monetary assets and liabilities are not remeasured unless they are recognized at fair value, in which case they are translated using the exchange rate at the date when the fair value was measured. Any translation gains or losses on these items are recognized in net loss, except for gains or losses noted on intercompany loan balance, which are recognized in other comprehensive loss.

The assets and liabilities of Currie Rose Vanadium Pty Ltd. are translated from its functional currency of the Australian dollar to the presentation currency of the Canadian dollar at the foreign exchange rate applicable at the consolidated statement of financial position date. Revenue and expenses are translated from its functional currency of the Australian dollar to the presentation currency of the Canadian dollar at the average foreign exchange rate for the period. Any translation gains or losses on these items are recognized other comprehensive loss.

(d) Significant judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgements include but are not limited to the following:

i. Business Combinations

Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

In determining the fair value of all identifiable assets and liabilities acquired, the most significant estimates relate to recognition of fair value of the exploration permits acquired for shares of the Company. For any Resource property asset identified, depending on the type of asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on the fair value of the consideration paid for such resource assets.

ii. Determination of fair value of equity settled transactions using option pricing models

The Company measures the cost of equity-settled transactions consisting of stock options and share purchase warrants offered to service providers and employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate. The Company uses the Black-Scholes Option Pricing Model to calculate the fair value.

iii. Share-based payments

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

iv. Warrants

The Company uses the Black-Scholes model to calculate the value of warrants issued as part of the Company's private placements. The Black-Scholes model requires six key inputs to determine a value of warrants: risk-free interest rate, exercise price, market price at the date of issuance, expected dividend yield, expected life, and expected volatility.

Certain of the inputs are estimates which involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrants or higher volatility number used would result in an increase in the warrant value.

v. Income taxes

The Company applies judgment in determining the tax rates applicable to the temporary differences to determine the provision for income taxes. Deferred taxes relate to temporary differences between accounting and tax asset values. They are measured using tax rates that are expected to apply in the year when the asset is realized, or the liability is settled. Temporary differences are differences between accounting and tax asset values expected to be deductible or taxable in the future.

The recognition of deferred tax assets is based on likelihood of future taxable income. The measurement of future taxable income for the purposes of determining whether or not to recognize deferred tax assets depends on many factors, including the Company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

(e) Going concern

The accompanying consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") (as issued by the International Accounting Standard Board ("IASB")) applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

As at December 31, 2022, the Company had working capital of $2,019.301 (December 31, 2021 - $305,135 deficiency) and had an accumulated deficit of $19,633,873 (December 31, 2021 - $18,929,218). Net comprehensive loss for the year ended December 31, 2022, was $668,852 (2021- $1,942,967). Operations since inception have been funded from the (i) issuance of share capital, (ii) sale of marketable securities, and (iii) sale of resource property interests.

The Company anticipates it will have sufficient working capital on hand to service its liabilities and fund exploration activity and public company operating costs for the next twelve months. In order to continue active operations, the Company will need to (i) arrange further financing that will largely depend upon prevailing capital market conditions, and (ii) the continued support of its shareholder base. There is uncertainty that the Company will be able to obtain additional financing for the long-term future, given the current market environment for junior exploration stage companies. The unknown economic impact continued duration and severity of the COVID-19 pandemic that has developed since March 2020 will most likely affect the Company's ability to access capital markets and secure sufficient financing for future exploration. These factors create material uncertainties that cast significant doubt as to the propriety of the use of the going concern assumption upon which these consolidated financial statements have been prepared.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated financial statements are set out below:

a) Cash and cash equivalents

The Company defines cash and cash equivalents as highly liquid investments held for the purpose of meeting short term cash commitments that are readily convertible into known amounts of cash. Such liquid investments have less than 90 day terms or are redeemable at the option of the Company.

b) Investments

Purchases and sales of investments are recognized on a trade date basis. Publicly-traded investments are initially recognized at fair value, with changes in fair value reported in profit or loss. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in profit or loss. The determination of fair value requires judgment and is based on market information where available and appropriate. Transaction costs are expensed as incurred in profit or loss.

Publicly-traded investments:

Securities, including shares, options, and warrants that are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the reporting date or the closing price on the last day the security traded if there were no trades at the reporting date. These are included in Level 1.

The amounts at which the Company's publicly-traded investments could be disposed of may differ from carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.

c) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instruments.

Financial assets and financial liabilities are initially measured at fair value and are classified as Fair Value through Profit or Loss ("FVTPL"), Fair Value Through Other Comprehensive Income ("FVTOCI") or amortized costs. The classification is determined at initial recognition and is dependent on the business model in which a financial asset is managed and the characteristics of the contractual cash flows. A financial liability is classified as amortized cost at initial recognition unless it is classified as FVTPL (derivative instrument or is specifically designated as FVTPL). Financial liabilities classified as amortized cost are subsequently measured using the effective interest method while financial liabilities at FVTPL are subsequently measured at fair value with changes in fair value recognized in consolidated statements of operations in the period in which such changes arise.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

The Company's financial assets and liabilities are classified into the following categories:

Asset/Liabilities	Measurement
Cash and cash equivalents	Fair value
Accounts receivable	Amortized cost
Security deposit	Amortized cost
Marketable securities	Fair value
Accounts payable and accrued liabilities	Amortized cost

The classification of financial instruments depends on the nature and purpose of the financial assets and liabilities and is determined at the time of initial recognition.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

Accounts payable and accrued liabilities are classified as amortized cost. Subsequent to initial recognition, these liabilities are carried at amortized cost, using the effective interest method.

Impairment of financial assets

At each reporting date, each financial asset measured at amortized cost is assessed for impairment under an expected credit loss (ECL) model. The Company applies the simplified approach which uses lifetime ECLs for receivables.

d) Resource properties

Resource properties are recorded at cost on an area of claims basis and carried as an asset until the results of the project are known. Cost includes initial acquisition costs of the property and exploration expenses incurred with respect to the property, net of any recoveries received with respect to option agreements entered into related to the property. In the event a commercial ore deposit is located, cost will be amortized against income by the unit of production method. In the event of an abandonment, sale, or the expiration of an area of claims, cost will be written off against income. Any costs incurred in the review of properties for possible acquisition, such as travel and geological consulting, are expensed as incurred, and only capitalized once the acquisition decision has been reached by management.

The cost of resource properties does not necessarily reflect present or future values. The ultimate realization of the amounts shown as resource properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the successful commercial development and exploration of the areas of interest, including the ability to obtain necessary financing to complete development or alternatively by their sale.

Based on annual impairment reviews by management, or circumstances indicating that the net carrying amount of these resource property costs will not be recovered, the carrying value is written down to fair value and charged against operations. Indicators of impairment would include any of: (i) exploration activities have ceased, (ii) exploration results are not promising such that exploration will not be planned for the foreseeable future, (iii) lease ownership right expired, (iv) funding is not available to complete the exploration program, or (v) the sale of the property.

Indicators of impairment will be impacted depending on both the continued duration and severity of COVID-19. The unknown economic impact of COVID-19 could affect the company's ability to access capital markets and secure sufficient financing to move the project forward on previously planned timelines.

e) Share capital

Common shares issued in exchange for goods and services are recorded at an amount based on the fair market value of the common shares just prior to the date of issuance.

Common shares issued in private placements, in conjunction with common share purchase warrants, are recorded using the relative fair value method, whereby the proceeds of the private placement are allocated to the common shares and the common share purchase warrants based on their relative fair values in relation to each other at the time of the private placement.

Share issuance expenses are applied against share capital.

f) Share based compensation

The Company recognizes as compensation the fair value of common share purchase warrants or stock options issued in exchange for services provided by officers and directors and outside consultants. The cost of officer and director compensation is calculated using the fair value method based on the fair value of the common share purchase warrant or stock option on the granting date. The cost of outside consultant compensation is calculated using the fair value method based on the fair value of the common share purchase warrant or stock option on the earlier of a) date when performance is complete, b) date on which a commitment for performance by the counterparty to earn the compensation is reached, or c) the grant date. Compensation expense is recognized over the vesting period of the related instrument granted or the service period for which such instrument is granted, whichever is shorter.

The proceeds from the exercise of stock options or warrants are recognized in share capital upon exercise at the exercise price paid by the holder, along with the related cost of such items originally credited to common share purchase warrants or options.

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the common share purchase warrants and stock options issued.

g) Income taxes

The Company follows the liability method of income tax allocation. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. The amount of future tax assets recognized is limited to the amount, if any, that is considered to be more likely than not to be realized.

h) Accumulated other comprehensive income

Net comprehensive loss is comprised of net loss and other comprehensive loss. Certain gains and losses arising from changes in fair value are temporarily recorded outside the consolidated statements of loss in accumulated comprehensive income ("AOCI") as a separate component of consolidated shareholders' equity. Other comprehensive loss or income includes any unrealized gains and losses on translating foreign operations.

i) Provisions and contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

j) Loss per share

Basic loss per share amounts are calculated by dividing consolidated net loss for the reporting period attributable to common shareholders by the weighted average number of common shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the consolidated net loss attributable to common shareholders by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential ordinary shares into common shares. Diluted loss per share amounts are not presented if their inclusion would be anti-dilutive.

k) Use of estimates

The preparation of these consolidated financial statements requires management to make estimates and judgements about the future that affect the amounts recorded in the consolidated financial statements. These estimates and judgements are based on the Company's experience and management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on new facts and experience. Actual results may differ from these estimates and judgements.

4. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

As at the date of authorization of these consolidated financial statements, the IASB hasissued the following new or revised standards as detailed below.

(a) **IAS 12 "Income taxes":** This standard has been amended to require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company has not yet assessed the impact of the amendment on the audited consolidated financial statements

5. ACQUISITIONS

On October 27, 2021, the Company announced subject to regulatory approval, the 100% interest in two brown field Vanadium (Battery Metal) Projects (the "Project") located in North Queensland, Australia. The Project includes the historic Cambridge Vanadium deposit which is an easterly continuation of the Lilyvale Vanadium deposit that contains an indicated and inferred resource of 560Mt at 0.48 V205%. The Project also includes a package 1,240 km2 close to infrastructure and enroute to Townsville Port. On August 5, 2022 the Company announced the closing of the acquisition of the Project.

The Company issued 25,000,000 common shares to Liontown Resources Limited and Chalice Mining Limited. In addition, the Company issued 8,000,000 share purchase warrants at $0.10 with a 2-year expiry. The Company will also pay a 2% net gross revenue royalty with the Company holding the right to purchase 50% of either Royalty by making a payment to the Royalty holders of $1,000,000, in cash.

Since the Vanadium Project did not meet the definition of a business under IFRS 3 – Business Combinations, the acquisition was accounted for as a purchase of Vanadium assets. The consideration paid was determined as equity-settled share-based payments under IFRS 2, at the fair value of the equity of the Company issued to the vendors on the date of closing as noted above. IFRS 2 requires the shares issued for the acquisition of the net assets of the Project to be measured at the fair value of the net assets, unless the fair value cannot be reliably estimated.

The following represent the final fair value allocation to identifiable net assets acquired at December 31, 2022.

		Total
Resource properties	$	868,441
Fair value of consideration paid		
Common Shares		750,000
Warrants		118,441
		868,441

6. ACCOUNTS RECEIVABLE

The accounts receivable represents the refundable HST and GST ITC claims for the period of October 31, 2022, to December 31, 2022.

7. MARKETABLE SECURITIES

	December 31, 2022			December 31, 2021		
	Shares		$	Shares		$
MacDonald Mines Exploration Ltd.	265,000	$	17,225	2,650,000	$	79,500
	265,000	**$**	**17,225**	**2,650,000**	**$**	**79,500**

As part of the sale of its interest in the Scadding property in 2019, the Company received 8,000,000 shares of MacDonald Mines Exploration Ltd. On December 7, 2022, MacDonald Mines Exploration Ltd. conducted a 10:1 share consolidation resulting in the Company's holdings of 2,650,000 common shares being replaced with 265,000 common shares. The fair value of the remaining 265,000 common shares held of MacDonald Mines Exploration Ltd. was $17,225 at December 31, 2022 compared to $79,500 at December 31, 2021.

8. RESOURCE PROPERTIES

	Opening	Acquisition Costs	Geological and technical	Professional fees	Travel and admin costs	Writedown	Closing
Rossland, Canada	$ 1,315,783	$ 109,405	$ 14,109	$ 12,709	$ 16,438	$ (1,468,444)	$ -
Golden 8, B.C. Canada	32,000	-	-	-	-	(32,000)	-
Jubilee Reef, Tanzania	1	-	-	-	-	-	1
Mabale Hills, Tanzania	1	-	-	-	-	-	1
Balance, December 31, 2021	**1,347,785**	**109,405**	**14,109**	**12,709**	**16,438**	**(1,500,444)**	**2**
Rossland, Canada	-	-	-	-	-	-	-
Golden 8, B.C. Canada	-	-	-	-	-	-	-
Queensland, Australia	-	868,441	34,833	12,834	134,539	-	1,050,647
Jubilee Reef, Tanzania	1	-	-	-	-	-	1
Mabale Hills, Tanzania	1	-	-	-	-	-	1
Balance, December 31, 2022	**$ 2**	**$ 868,441**	**$ 34,833**	**$ 12,834**	**$ 134,539**	**$ -**	**$ 1,050,649**

Rossland

(a) <u>Carrying values</u>

The carrying values of the Company's resources properties, namely the Rossland Project in British Columbia, at December 31, 2022 and December 31, 2021, were $nil. On April 14, 2021, the Company gave the required 10 days' Notice of Termination to 0811662 BC Ltd., one of the two option holders of the Rossland Project. As a result, the Company has recorded a write-off of $701,850, or 50% of the carrying value of the Rossland Project, as of that date.

On July 2, 2021, the Company gave the required 10 days' Notice of Termination to 0704723 BC Ltd., the second of the two 3rd party option holders of the Rossland Project, under Section 11.01 of the option agreement dated April 12, 2018. As a result of this termination., 100% of the aggregate mining costs re the Rossland Project as well the Company has written off the original acquisition costs of $32,000 related to its 100% owned Golden 8 Project (that formed part of the Rossland Gold Project) during the second half of 2021.

Management's review of the remaining carrying value indicated that, as of December 31, 2021, the property was not impaired. Included in these balances are nominal carrying values with respect to a 2% NSR on any future production from each of its prior Jubilee Reef and Mabale Hills projects in Tanzania.

<u>(b) Termination of agreement with Accelerate</u>

On April 27, 2021, the end of the eight month due diligence period, Accelerate gave written notice that they have declined their option to acquire 51% of the Rossland Project and will, subject to regulatory approval, convert their cumulative advances of $500,000 into 8,333,334 common shares of the Company at the previously agreed upon price of $0.06 per share. Such approval was granted by the TSX Venture Exchange on July 23, 2021.

Queensland, Australia

On August 5, 2022, the Company closed on the acquisition of 100% interest in two brown field Vanadium (Battery Metal) Projects (the "Project") located in North Queensland, Australia. The Project includes the historic Cambridge Vanadium deposit which is an easterly continuation of the Lilyvale Vanadium deposit that contains an indicated and inferred resource of 560Mt at 0.48 V205%. The Project also includes a package 1,240 km2 close to infrastructure and enroute to Townsville Port.

The Company issued 25,000,000 common shares to Liontown Resources Limited and Chalice Mining Limited at a fair value of $0.03 or $750,000 representing the fair value of the shares on the date of closing. In addition, the Company issued 8,000,000 share purchase warrants at $0.10 with a 2-year expiry. The fair value of the warrants issued using the Black Scholes fair value model, the Company ascribed a fair value of $118,441 to the share purchase warrants.

In addition, on closing the Company provided a security deposit of $9,196 (AUD$10,000) as a surety bond on the Project which will be refunded at the end of the Project life.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Accounts payable	$ 291,621	$ 443,822
Accrued Liabilities	24,000	22,000
	$ 315,621	**$ 465,822**

Trade accounts payable as at December 31, 2022, includes $230,000 (December 31, 2021 - $358,358) of unpaid management fees owing to the related parties disclosed in note 14.

On October 22, 2021, the Company issued 4,000,000 common shares to the related party after receiving TSX Venture Exchange approval to retire $200,000 outstanding accounts payable due to the related party for unpaid management fees, which resulted in gain on debt settlement of $60,000 (see Note 10).

10. SHARE CAPITAL

Continuity schedules for each component of the Company's share capital and other equity instruments are disclosed in the consolidated statements of changes in shareholders' equity for the period from January 1, 2021, to December 31, 2022. Descriptions of the significant changes in each component are as follows:

(a) Common shares issued re Rossland Project - July 2021

On April 27, 2021, the end of the eight month due diligence period (see note 7), Accelerate gave written notice that they have declined their option to acquire 51% of the Rossland Project and will, subject to regulatory approval, convert their cumulative advances of $500,000 into 8,333,334 common shares of the Company at the previously agreed upon price of $0.06 per share. Such approval was granted by the TSX Venture Exchange on July 23, 2021.

(b) Common shares issued on settlement of unpaid management fees - October 2021

On October 22, 2021, the Company issued 4,000,000 in exchange for retiring $200,000 of unpaid management fees to a related party once the Company received TSX Venture Exchange approval. The fair value of the Company shares on date of debt settlement was $0.035 per common share resulting in a gain on debt settlement of $60,000.

(c) Completion of private placement on January 14, 2022 and August 5, 2022

On January 14, 2022, the Company completed the first tranche of a non-brokered private placement (the "Offering"), issuing 10,900,000 units for total gross proceeds of $545,000.

On August 5, 2022, the Company announced that it has closed the second and final tranche of the previously announced non-brokered private placement and issued an aggregate of 5,460,894 Units at a price of $0.05 per Unit for aggregate gross proceeds of $273,045.

Each unit consists of one Common Share of the Company and one common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to purchase one Common Share of the Company at a price of C$0.10 for a period of 24 months following the closing date of the Offering. If the volume-weighted average price of the common shares of the Company on the TSX Venture Exchange over the preceding 20 trading days is greater than $0.25, the Company can elect to accelerate the term of the Warrants to 30 calendar days following the date a press release announcing the notice of acceleration is provided. The securities issued under the private placement are subject to a hold period expiring four months and one day from the date of issue.

In connection with the two closings, the Company paid compensation of $14,700 and issuance of 344,000 Broker Warrants with a fair value of $18,243, to various eligible Finders on the first tranche. In connection with the closing on the second tranche, the Company paid compensation of $4,500 and issued 90,000 finders warrants with a fair value of $1,666. Each Finder Warrant entitles the holder to acquire one Common Share at a price of $0.05 per share any time prior to August 5, 2024. Each Broker Warrant is exchangeable for one Common Share at a purchase price of $0.05 per share and will expire two (2) years from the closing date. The fair value of the Warrants was based on assumptions used as disclosed in Note 11. The Company paid in share issuance costs of $11,686 in connection with this financing.

(d) Common shares on acquisition of Queensland Vanadium Project

The Company issued 25,000,000 common shares to Liontown Resources Limited and Chalice Mining Limited at a fair value of $0.03 or $750,000 representing the fair value of the shares on the date of closing. In addition, the Company issued 8,000,000 share purchase warrants at $0.10 with a 2-year expiry. The fair value of the warrants issued using the Black Scholes fair value model, the Company ascribed a fair value of $118,441 to the share purchase warrants. (see Note 11). The Company paid in share issuance costs $7,250 in connection with this transaction.

(e) Completion of private placement on October 14, 2022

On October 14, 2022, the Company completed a new non-brokered private placement issuing 79,000,001 units for total gross proceeds of $2,370,000 or $0.03 per unit.

Each unit consists of one Common Share of the Company and one half of one common share purchase warrant (each, a "Warrant"). Each whole Warrant entitles the holder to purchase one Common Share of the Company at a price of C$0.05 for a period of 24 months following the closing date of the Offering. If the volume-weighted average price of the common shares of the Company on the TSX Venture Exchange over the preceding 20 trading days is greater than $0.15, the Company can elect to accelerate the term of the Warrants to 30 calendar days following the date a press release announcing the notice of acceleration is provided. The securities issued under the private placement are subject to a hold period expiring four months and one day from the date of issue.

In connection with the closing, the Company paid compensation of $123,000 and issuance of 2,050,000 Broker Warrants with a fair value of $39,651, to various eligible Finders on the first tranche. The fair value of the Warrants was based on assumptions used as disclosed in Note 11. The Company paid in shares issuance costs $37,088 in connection with this financing.

(f) Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding. The weighted average number of common shares outstanding for the year ended December 31, 2022, was 94,209,470 (2021 – 46,273,927).

The potentially dilutive equity instruments outstanding were (i) 9,390,000 stock options (2021 – 2,850,000), and (ii) 66,344,895 common share purchase warrants for the year ended December 31, 2022. The fully diluted weighted average number of common shares outstanding for the year ended December 31, 2022, was 111,486,104 (2021 – 46,273,927).

11. WARRANTS RESERVE

The following tables reflect the continuity of warrants for the year ended December 31, 2022, and 2021 as follows:

	Number of Warrants	Weighted Average Exercise Price	Fair Value
Balance outstanding, January 1, 20201	**400,000**	**$ 0.100**	**$ 8,000**
Warrants expired(i)	(400,000)	(0.100)	(8,000)
Balance outstanding, December 31, 2021	**-**	**-**	**-**
Warrants issued	66,344,895	0.068	1,062,253
Balance outstanding, December 31, 2022	**66,344,895**	**$ 0.068**	**1,062,253**

The following table reflects the Black-Scholes pricing model assumptions:

	October 14, 2022	August 5, 2022	January 14, 2022
Average exercise price ($)	$ 0.05	$ 0.10	$ 0.10
Fair value of the award	$ 617,412	$ 210,453	$ 234,298
Risk free interest rate	4.04%	3.09%	1.16%
Expected dividend yield	0.00%	0.00%	0.00%
Expected volatility	150%	144%	149%
Expected life of the warrants	2.00	2.00	2.00

The expected volatility noted above was based on the Company's historical stock price volatility.

The remaining life on the outstanding warrants are:

	Number of warrants			
Grant Date	**Granted**	**Exerciseable**	**Exercise price**	**Remaining life**
January 14, 2022	344,000	344,000	$ 0.05	1.04
January 14, 2022	10,900,000	10,900,000	$ 0.10	1.04
August 5, 2022	90,000	90,000	$ 0.05	1.60
August 5, 2022	13,460,894	13,460,894	$ 0.10	1.60
October 14, 2022	41,550,001	41,550,001	$ 0.05	1.79
	66,344,895	66,344,895	$ 0.068	

12. STOCK OPTIONS

The Company has a 10% rolling stock option plan which allows for the granting of stock options to directors, officers, employees and consultants as additional compensation for services rendered, with such options generally being exercisable over a five-year period. The options are generally required to have an exercise price no less than the market price prevailing on the day the option is granted.

The stock option plan indicates that unless otherwise specified by the Board at the time of granting an Option, options vest at time of granting, except options granted to consultants performing investor relation activities, which must vest in stages over 12 months such that (i) no more than 1/4 of the Stock Options vest no sooner than three months after the Stock Options were granted; (ii) no more than another 1/4 of the Stock Options vest no sooner than six months after the Stock Options were granted; (iii) no more than another 1/4 of the Stock Options vest no sooner than nine months after the Stock Options were granted; and (iv) the remainder of the Stock Options vest no sooner than 12 months after the Stock Options were granted. Upon change in control, as defined by the Income Tax Act, all outstanding options immediately become vested.

Stock option activity for the year ended December 31, 2022 and December 31, 2021 was as follows:

	Stock Options		Weighted Average Exercise Price
Options outstanding, January 1, 2021	**2,850,000**	**$**	**0.089**
Issued	-		-
Exercised	-		-
Forfeited	-		-
Options outstanding, December 31, 2021	2,850,000		0.089
Issued	7,000,000		0.050
Expired	(460,000)		(0.125)
Options outstanding, December 31, 2022	**9,390,000**	**$**	**0.058**
Exercisable options	9,390,000	$	0.058

The following table reflects the Black-Scholes pricing model assumptions:

		Fiscal December 31, 2022
Number of options granted		7,000,000
Exercise price (CAD$)	$	0.050
Risk free interest rate		3.25%
Expected dividend yield		0.00%
Expected volatility		150%
Expected life of the options		5.00

The expected volatility noted above was based on the Company's historical stock price volatility.

The remaining life on the outstanding options are:

Option price (CAD$)	Options Outstanding		Weighted Average Exercise Price	Weighted Ang Remaining Contractual Life (Yrs.)	Options Exercisable
At $0.05	7,000,000	$	0.050	4.90	7,000,000
At $0.075	2,050,000	$	0.075	1.10	2,050,000
At $0.125	340,000	$	0.125	3.40	340,000
	9,390,000	$	0.058	4.00	9,390,000

Vesting Schedule	
Immediate	9,390,000
1 year	-

13. INCOME TAXES

a) Deferred tax

The following table summarizes the components of deferred tax for the years ending December 31, 2022, and 2021:

		2022		2021
Deferred tax assets				
Marketable securities	$	37,588	$	29,336
Resource properties		1,145,983		1,181,879
Capital losses		33,953		33,970
Non-capital losses available for future periods		3,270,928		3,089,568
Share issuance costs		(13,714)		-
Foreign income taxes		6,936		6,936
Deferred tax assets		4,481,674		4,341,689
Less: deferred tax assets not recognized		(4,481,674)		(4,341,689)
Net deferred tax assets	$	-	$	-

b) Income rate reconciliation

The reconciliation of the combined Canadian federal and provincial statutory income tax rates on the net loss for the years ended December 31, 2022, and 2021 is as follows:

		2022		2021
Loss before income taxes	$	(704,655)	$	(1,942,967)
Statutory rate		26.5%		26.5%
Expected income tax recovery at combined basic federal and provincial tax rates		(186,734)		(514,886)
Effect on income taxes of:				
Permanent differences		49,445		9,153
Temporary differences		(86,604)		4,509
Changes in tax benefits not recognized		223,893		501,224
Income tax expense	**$**	**-**	**$**	**-**

c) Other

The Company has deductible temporary differences with respect to its resource properties, whereby the amounts deductible for income tax purposes exceeds the amounts recorded for accounting purposes by $4,472,332 (2021 - $4,459,921). The Company has deductible temporary differences related to its marketable securities whereby the amounts deductible for income tax purposes exceeds the amounts recorded for accounting purposes by $283,681 (2021 - $221,406). The Company has the following Canadian tax loss carryforwards: (i) capital losses of $256,250 (2021 - $256,375) which can be applied against future Canadian capital gains, and (ii) non-capital loss carryforwards, which can be used to reduce future Canadian income taxes payable, expiring as follows:

Non-capital loss carryforwards		
2027	$	288,207
2028		518,999
2029		536,837
2030		189,949
2031		516,522
2032		401,981
2033		390,969
2034		215,925
2035		256,770
2036		78,341
2037		371,052
2038		333,789
2039		304,020
2040		257,501
2041		304,654
2042		616,134
	$	**5,581,650**

The Company's Australian subsidiary has deductible temporary differences with respect to its resource properties whereby the amounts deductible for income tax purposes exceeds the amounts recorded for accounting purposes by $156,741. The Company's Australian subsidiary has non-capital loss carryforwards, which can be used to reduce future Australian income taxes payable of $147,439.

14. KEY MANAGEMENT COMPENSATION, RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel and directors' compensation:

During the year ended December 31, 2022, and 2021, the Company had the following related party transactions with key management personnel and directors, and entities related to them, as follows:

	2022	2021
Management fees	$ 167,000	$ 192,000
	$ 167,000	**$ 192,000**

	2022	2021
Share issue expense	$ 31,880	$ -
Printing and Stationary	194	-
Listing and filing fees	18,414	-
Shareholder's information	6,792	-
Newswire services	3,200	-
Sedar filings	575	-
Resources	125	-
	$ 61,180	**$ -**

Accounts payable and accrued liabilities as at December 31, 2022, include $230,000 (2021 -$358,358) with respect to balances owing to related parties for the transactions disclosed above. On October 22, 2021, the Company issued 4,000,000 in exchange for retiring $200,000 of unpaid management fees to a related party once the Company received TSX Venture Exchange approval. The fair value of the Company shares on date of debt settlement was $0.035 per common share resulting in a gain on debt settlement of $60,000.

Management fees expensed during the year ended December 31, 2022, consist of $95,000 (2021 - $120,000) billed by an entity controlled by the CEO (for his services as CEO) and $72,000 (2021 - $72,000) billed by an entity related to a director.

The remaining expenses totaling $61,180 were amounts paid by entities related to a director, and charged back to the Company.

The Company issued 6,000,000 stock options to related parties during the year with a stock based compensation expense of $159,983.

15. COMMITMENTS

As at December 31 2022, the Company has no outstanding commitments other than those listed in Note 14 above.

16. SEGMENTED INFORMATION

The Company conducts its business in a single operating segment as its exploration resource property in Australia is not considered a cash generating unit as it is not cashflow independent.

17. FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair value of financial instruments

The carrying values of cash, accounts receivable, marketable securities, accounts payable and accrued liabilities, and security deposits approximate their fair values due to the short-term or demand nature of these balances.

(a) Fair value hierarchy

A fair value hierarchy establishes three levels to classify valuation techniques used to measure fair value. Level 1 includes quoted prices in active markets for identical assets or liabilities. Level 2 includes inputs that are observable other than quoted prices included in level one. Level 3 includes inputs that are not based on observable market data.

	2022	2021
Level 1		
Cash and cash equivalents	$ 2,286,748	$ 65,886
Marketable securities	17,225	79,500
Level 3		
Accounts receivable	16,385	10,272
Security deposit	9,196	-
Accounts payable	315,621	465,822

(b) Classification of financial instruments

Asset/Liabilities	Measurement	2022 Cost	2022 Fair value	2021 Cost	2021 Fair value
Cash and cash equivalents	Fair value	$ 2,286,748	$ 2,286,748	$ 65,886	$ 65,886
Accounts receivable	Amortized cost	16,385	16,385	10,272	10,272
Security deposit	Amortized cost	9,196	9,196	-	-
Marketable securities	Fair value	300,906	17,225	300,906	79,500
Accounts payable and accrued liabilities	Amortized cost	315,621	315,621	465,822	465,822

(c) Credit risk

The Company's credit risk is attributable to accounts receivable, which are comprised of refundable HST ITCs. The Company has no material concentration of credit risk arising from operations. Cash consists of bank deposits, which have been invested with a Canadian chartered bank, from which management believes the risk of loss to be remote. Management believes that credit risk with respect to accounts receivable is minimal. There has been no change in this risk exposure or how it is managed since the prior reporting period.

(d) Liquidity risk

The business of the Company necessitates the management of liquidity risk. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due in the short-term due to a shortfall of working capital and in the long-term due to lack of sufficient capital. The Company's objective is to mitigate short-term liquidity risk by maintaining adequate working capital reserves and its long-term liquidity risk by stipulating in certain option agreements that payments may be made in common shares at the Company's election and through good relations with external capital markets. The Company achieves these objectives by obtaining financing through private placements and issuing shares as payment for resource property costs. There has been no change in this risk exposure or how it is managed since the prior reporting period.

(e) Market risk

The Company is exposed to market risk on its marketable securities due to normal stock market fluctuations. Management also regularly monitors market activities to assess the recoverability of this investment.

(f) Foreign currency risk

As at December 31, 2022, the Company's holds foreign currency of AUD$20,640. The Company objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting with third parties in Australian dollars. The Company does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as management has determined that this risk is not sufficient at this point in time.

18. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to ensure that there are adequate resources to sustain operations and to continue as a going concern, to maintain adequate funding to support acquisition obligations and exploration of mineral claims, and to maintain investor confidence, all with a view to providing a return on shareholders' investment. Funds are primarily obtained through the issuance of common shares as equity capital. Such issuance of common shares is usually done as private placements.

The Company considers the items included in the consolidated statements of shareholders' equity to be capital and it manages the capital structure and adjusts it with an awareness of changes in economic conditions, the risk nature of the underlying assets and the future capital requirements to maintain those assets. The Company is not subject to any externally imposed capital requirements.