CMC METALS LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended March 31, 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company for the six months ended March 31, 2023 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

CMC METALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at March 31, 2023 and September 30, 2022
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

		March 31, 2023		September 30, 2022
ASSETS				
Current				
Cash and cash equivalents	$	1,715,391	$	891,747
Receivables		290,315		229,406
Prepaid expenses (Note 12)		164,398		77,591
Marketable Securities (Note 4)		17,500		25,000
		2,187,604		1,223,744
Non-current				
Equipment (Note 5)		59,850		66,500
Reclamation bond (Notes 6 and 10)		417,643		421,012
TOTAL ASSETS	$	2,665,097	$	1,711,256
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	309,830	$	394,740
Due to related parties (Note 12)		18,000		30,325
Preferred shares (Note 9)		500,000		500,000
Premium on flow-through (Note 14)		11,839		-
		839,669		925,065
Non-current				
Loan payable (Note 8)		35,538		32,862
Provision for restoration and environmental obligation (Note 10)		569,653		575,099
TOTAL LIABILITIES		1,444,860		1,533,026
SHAREHOLDERS' EQUITY				
Share capital (Note 11)		28,241,642		26,711,740
Share subscription receivable (Note 11)		(5,000)		(97,192)
Share-based payment reserve		3,105,925		2,391,876
Deficit		(30,122,330)		(28,828,194)
TOTAL SHAREHOLDERS' EQUITY		1,220,237		178,230
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	$	2,665,097	$	1,711,256

Nature and continuance of operations – (Note 1)
Commitments – (Note 7)
Subsequent event – (Note 7)

Approved and authorized for issuance on behalf of the Board of Directors:

"Kevin Brewer"	*"John Bossio"*
Kevin Brewer	John Bossio

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

CMC METALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the six months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	For the three months ended March 31, 2023	For the three months ended March 31, 2022	For the six months ended March 31, 2023	For the six months ended March 31, 2022
Expenses				
Consulting fees (Note 12)	$ 93,216	$ 91,668	$ 134,216	$ 165,622
Depreciation (Note 5)	1,575	-	6,650	-
Exploration expenditures (Notes 7 and 12)	378,711	273,366	663,776	490,876
Filing fees and transfer agent	24,881	17,353	52,128	21,853
Interest	4,550	1,570	5,877	3,741
Marketing	64,876	16,530	98,567	29,522
Office and miscellaneous (Note 12)	34,031	16,519	62,077	32,274
Professional fees	18,889	1,544	28,252	60,653
Share-based payments (Notes 11 and 12)	272,025	17,241	272,025	329,462
Travel	28,050	10,172	31,062	35,140
Wages and benefits	-	-	6,457	-
	920,804	445,963	1,361,087	1,169,143
Loss before other items	(920,804)	(445,963)	(1,361,087)	(1,169,143)
Other items				
Government Grant (Note 8)	-	-	-	15,426
Gain on sale of equipment	-	-	-	9,388
Gain on foreign exchange	125	1,006	3,365	1,608
Interest income	13,613	-	18,370	-
Recovery of flow-through share premium (Note 14)	28,938	19,793	52,716	19,793
Unrealized gain (loss) on marketable securities	-	-	(7,500)	-
	42,676	20,799	66,951	46,215
Net loss and comprehensive loss for the period	$ (878,128)	$ (425,164)	$ (1,294,136)	$ (1,122,928)
Basic and diluted loss per share	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	138,129,498	102,558,611	135,369,298	99,826,456

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

CMC METALS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Number of Shares	Share Capital	Subscriptions Received in Advance (Receivable)	Share-Based Payment Reserve	Deficit	Total Shareholders' Equity (Deficiency)
Balance, September 30, 2021	94,507,500	$ 23,404,022	$ -	$ 958,266	$ (24,558,763)	$ (196,475)
Share issuances for cash	7,500,000	513,347	-	236,653	-	750,000
Share issue cost – cash	-	(45,500)	-	-	-	(45,500)
Agent's warrants issued	-	(27,300)	-	27,300	-	-
Reallocate flow-through premium	-	(75,000)	-	-	-	(75,000)
Share subscriptions received	-	-	434,649	-	-	434,649
Shares issued for exploration and evaluation expenditures	700,000	80,750	-	-	-	80,750
Share-based payments	-	-	-	329,462	-	329,462
Loss and comprehensive loss for the period	-	-	-	-	(1,122,928)	(1,122,928)
Balance, March 31, 2022	102,707,500	$ 23,850,319	$ 434,649	$ 1,551,681	$ (25,681,691)	$ 154,958
Balance, September 30, 2022	127,489,553	$ 26,711,740	$ (97,192)	$ 2,391,876	$ (28,828,194)	$ 178,230
Share issuances for cash	9,338,128	1,447,807	(5,000)	438,095	-	1,880,902
Share issue cost – cash	-	(104,950)	-	-	-	(104,950)
Agent's warrants issued	-	(71,025)	-	71,025	-	-
Reallocate Flow-through premium	-	(64,556)	-	-	-	(64,556)
Shares issued for exploration and evaluation expenditures	650,000	101,000	-	-	-	101,000
Shares issued pursuant to exercise of stock options	150,000	35,867	-	(17,367)	-	18,500
Shares issued pursuant to exercise of warrants	680,150	185,759	-	(49,729)	-	136,030
Share subscriptions received	-	-	97,192	-	-	97,192
Share-based payments	-	-	-	272,025	-	272,025
Loss and comprehensive loss for the period	-	-	-	-	(1,294,136)	(1,294,136)
Balance, March 31, 2023	138,307,831	$ 28,241,642	$ (5,000)	$ 3,105,925	$ (30,122,330)	$ 1,220,237

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

CMC METALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	For the six months ended March 31, 2023	2022
Operating Activities		
Net loss for the period	$ (1,294,136)	$ (1,122,928)
Items not affecting cash		
Accrued interest on loan payable	2,676	1,154
Depreciation	6,650	-
Foreign exchange	(2,077)	-
Government grant	-	(15,426)
Interest income	(18,370)	-
Recovery of flow-through share premium	(52,716)	(19,793)
Share-based payments	272,025	329,462
Shares issued for exploration and evaluation asset	101,000	80,750
Unrealized loss on marketable securities	7,500	-
Changes in non-cash working capital items related to operations:		
Receivables	(42,540)	(41,604)
Prepaids and deposit	(86,807)	(100,658)
Accounts payables and accrued liabilities	(84,910)	(115,507)
Due to related parties	(12,325)	(14,895)
Cash used in operating activities	(1,204,030)	(1,019,445)
Financing Activities		
Proceeds on issuance of common shares	2,040,432	750,000
Subscriptions received in advance	92,192	434,649
Share issuance costs	(104,950)	(45,500)
RRRF Loan	-	20,000
Cash provided by financing activities	2,027,674	1,159,149
Change in cash and cash equivalents during the period	823,644	139,704
Cash and cash equivalents, beginning of period	891,747	524,107
Cash and cash equivalents, end of the period	$ 1,715,391	$ 663,811

Supplemental Disclosure of Cash Flow Information:		
Cash and cash equivalents consist of:		
Cash	$ 685,391	$ 663,811
Term deposits	1,030,000	-
Cash and cash equivalents	$ 1,715,391	$ 663,811
Cash paid during the period		
Interest	$ -	$ -
Income taxes	-	-
Non-cash transactions:		
Amount allocated to Flow-through premium	$ 64,556	$ 75,000
Fair value of agent's warrants	$ 71,025	$ 27,300
Fair value on transfer from reserve on exercise of warrants	$ 49,729	$ 236,653
Fair value on transfer from reserve on exercise of stock options	$ 17,367	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

CMC Metals Ltd. (the "Company") is incorporated in the Province of British Columbia and its principal activity is the acquisition and exploration of mineral properties in Canada and the United States of America. The Company is listed on the TSX Venture Exchange ("TSX-V").

The head office and principal address of the Company are located at Suite 1000 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2 and its records office is located at Suite 1120 – 625 Howe Street, Vancouver British Columbia, Canada, V6C 2T6.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As of March 31, 2023, the Company had not advanced its properties to commercial production. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These uncertainties indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors, by continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration, monitoring exploration activity and reducing overhead costs.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 30, 2023.

Basis of preparation

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

Accounting policy

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at September 30, 2022. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2022.

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION – (cont'd)

Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods are as follows:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company does not expect the adoption of the amendments to IAS 1 will have an impact on the Company's financial statements.

3. Critical accounting estimates, assumptions and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments, estimates and assumptions in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Going Concern

The assessment of the Company's ability to continue as a going concern require significant judgement. See Note 1.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

4. MARKETABLE SECURITIES

Marketable securities are fair valued at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market.

Marketable securities consisted of the following as of March 31, 2023:

Investment in marketable securities	Number of shares held	Investment Cost	Fair Value at March 31, 2023	Fair Value at September 30, 2022
	#	$	$	$
Public Companies				
Highbank Resources Ltd.	500,000	25,000	17,500	25,000

During the year ended September 30, 2022, the Company received 500,000 common shares of Highbank Resources Ltd. pursuant to the property option agreement with Highbank Resources Ltd. (Note 7).

(Expressed in Canadian dollars)

5. EQUIPMENT

	Equipment	Total
Cost		
Balance at September 30, 2021	$ -	$ -
Additions	70,000	70,000
Balance at September 30, 2022 and March 31, 2023	$ 70,000	$ 70,000
Accumulated Depreciation		
Balance at September 30, 2021	$ -	$ -
Depreciation	3,500	3,500
Balance at September 30, 2022	$ 3,500	$ 3,500
Depreciation	6,650	5,075
Balance at March 31, 2023	$ 10,150	$ 8,575
Net Book Value		
At September 30, 2022	$ 66,500	$ 66,500
At March 31, 2023	$ 59,850	$ 61,425

6. RECLAMATION BOND

The Company has a reclamation bond held in trust by the Bureau of Land Management. As of March 31, 2023, the reclamation bond consists of a deposit of $261,984 (September 30, 2022 - $265,353) made by the Company for indemnification of site restoration of the Company's Bishop Mill Property (Note 7).

As at March 31, 2023, the Company had additional security deposit for site restoration on the Silver Hart property of $9,589 (September 30, 2022 - $9.589). This is in addition to the $146,070 letter of Credit that was provided to the Government of the Yukon Territory (Note 10). The letter of Credit is secured by the Company's Guaranteed Investment Certificate of $146,070 and recorded in reclamation bond.

7. EXPLORATION AND EVALUATION EXPENDITURES

	Silver Hart	Bishop Mill	Bridal Veil	Rancheria	Amy and Silverknife	Terra Nova	Blue Heaven	Rodney Pond	Total
Costs incurred during the period:									
Acquisition costs	$ -	$ -	$ 42,000	$ -	$ 80,000	$ 20,000	$ -	$ 19,000	$ 161,000
Accommodation	-	-	1,850	-	-	-	-	-	1,850
Assaying	57,295	-	16,052	-	1,151	1,529	16,332	-	92,359
Camp site	-	-	-	-	117,500	-	-	-	117,500
Contractors	24,551	-	7,340	-	39,809	35,723	1,928	9,750	119,101
Clean up costs	-	26,316	-	-	-	-	-	-	26,316
Drilling (recovery)	(2,558)	-	-	-	-	-	-	-	(2,558)
Equipment rental	12,032	-	551	-	4,034	-	-	-	16,617
Field office	13,597	-	5,100	3,491	1,385	150	-	-	23,723
Geological	30,144	-	2,186	-	19,320	25,080	-	2,517	79,247
Geophysical	-	-	-	-	3,750	-	-	-	3,750
Mapping	6,858	-	2,820	-	9,138	-	1,339	5,945	26,100
Meals	1,177	-	900	-	-	-	-	-	2,077
Travel expenses	7,751	-	551	-	6,610	1,782	-	-	16,694
Option payments received	-	-	-	-	-	(20,000)	-	-	(20,000)
For the six months ended March 31, 2023	$ 150,847	$ 26,316	$ 79,350	$ 3,491	$ 282,697	$ 64,264	$ 19,599	$ 37,212	$ 663,776

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION EXPENDITURES – (cont'd)

	Silver Hart	Bishop Mill	Bridal Veil	Rancheria	Amy and Silverknife	Terra Nova	Blue Heaven	Rodney Ponod	Total
Costs incurred during the period:									
Acquisition costs	$ -	$ -	$ 29,000	$ 26,250	$ 43,000	$ 10,000	$ -	$ 17,500	$ 125,750
Assaying	69,183	-	-	-	-	96	-	-	69,279
Contractors	50,470	-	40,211	7,114	41,460	24,445	2,150	9,089	174,939
Clean up costs	-	12,985	-	-	-	-	-	-	12,985
Equipment rental	15,759	-	2,558	-	-	259	-	-	18,576
Field office	13,026	-	-	-	-	-	-	-	13,026
Geological	35,168	-	13,393	135	-	2,061	-	-	50,757
Geophysical	4,000	-	5,500	1,000	-	-	4,962	-	15,462
Supervision fees	4,042	-	-	-	-	-	-	-	4,042
Travel expenses	6,060	-	-	-	-	-	-	-	6,060
For the six months ended March 31, 2022	$ 197,708	$ 12,985	$ 90,662	$ 34,499	$ 84,460	$ 36,861	$ 7,112	$ 26,589	$ 490,876

Silver Hart Property

On February 21, 2005, the Company acquired a 100% interest in certain claims comprising the Silver Hart Property located in the Watson Lake Mining District, Yukon Territories from an individual who subsequently became a director and officer of the Company for a total of $995,000. The Company's remaining and additional obligation for the consideration was settled by the issuance of a loan.

During the year ended September 30, 2020, the Company entered into a Yukon Mineral Exploration Transfer Payment Program Agreement with the Yukon Geological Survey ("YG") for a one-time financial assistance to assist with the costs of an exploration program related to the Silver Hart Property. The YG agreed to contribute up to a maximum of $40,000 (the "Government Credit") towards eligible exploration expenditures which are, in the opinion of YG, reasonable and directly attributable to the Silver Hart.

During the year ended September 30, 2020, the Company incurred the eligible exploration expenditures and, therefore, recorded the $40,000 Government Credit in receivables and as a reduction to the cumulative costs incurred on the Silver Hart Property. During the year ended September 30, 2021, the Government Credit was received in full.

The Government Credit was made available on certain terms and conditions, and in reliance on attestations made by the Company in the agreement. Non-compliance with the terms and conditions may result in termination, withholding by the YG of some or all of the Government Credit or repayment of all or part of the Government Credit. The amount demanded for repayment shall bear interest beginning on the due date and ending on the day before the day on which payment is received by YG. To March 31, 2023, and subsequently, the Company has not received notification of non-compliance.

The Company was subject to a claim made by the Government of the Yukon Territory related to the remediation of the Silver Hart Property. Accordingly, the Company has recognized its obligation to remediate the claim and have provided reclamation deposits on a progressive basis (Notes 6 and 10).

7. EXPLORATION AND EVALUATION EXPENDITURES – (cont'd)

Blue Heaven Property

On June 1, 2020, the Company entered into a Property Option Agreement with Strategic Metals Ltd. ("Strategic") to acquire up to a 100% interest in certain claims comprising the Blue Heaven Property located in the Rancheria Silver District, Yukon Territories.

The Company has the option to acquire an 80% interest (the "First Option") for the following consideration payments:

- $7,500 upon execution of the Agreement (paid);
- An additional $30,000 on or before June 1, 2021 (paid);
- An additional $62,500 on or before June 1, 2022 (paid);
- An additional $125,000 on or before June 1, 2023; and
- An additional $175,000 on or before June 1, 2024.

Upon completion of the First Option payments, the Company and Strategic will enter into a joint venture to pursue the exploration, development, construction and mining of the Blue Heaven Property. The Company will be the initial operator of the joint venture and remain for as long as its interest is equal to or exceeds 50%.

The Company has the option to acquire a further 20% interest (the "Second Option") by payment of $500,000 on or before November 28, 2024. Upon completion of the Second Option payment, the Company will be deemed to have acquired a 100% interest in the Blue Heaven Property.

The Blue Heaven Property is subject to a 2% net smelter royalty ("NSR"). The Company has the option to acquire one-half, being 1%, of the NSR for $1,000,000.

Bishop Mill Property

On March 19, 2010, and as completed on April 15, 2010, the Company entered into a sale and purchase agreement and acquired a 100% interest in certain claims, buildings, water rights and machinery, comprising the Bishop Mill Property located near Bishop, California. Subsequent to the purchase of the Bishop Mill Property, the Company has continued to incur additional costs in order to bring the mill and equipment to use. As at March 31, 2023, the Bishop Mill was not capable of operating in a manner intended by management. For the six months ended March 31, 2023, the Company incurred $26,316 (September 30, 2022 - $24,194) in clean-up costs on the Bishop Mill Property. As at March 31, 2023, the Company has a reclamation bond with the Bureau of Land Management and has recognized its asset retirement obligation to remediate the claims (Notes 6 and 10).

Bridal Veil Property

On October 22, 2020, the Company entered into a mineral property option agreement to acquire a 100% working interest in the Bridal Veil Property located in the Gander Subzone in Central Newfoundland, for consideration comprised of cash and the issuance of common shares of the Company, subject to TSX-V approval, which was received on December 11, 2020. The Company paid $16,000 cash and issued 120,000 common shares at a fair value of $14,400 to the optionors on December 15, 2020.

Pursuant to this agreement, the Company is required to make the following additional payments:

- $24,000 plus issue 100,000 common shares or pay $10,000 in cash (paid) and issue 200,000 common shares on or before October 22, 2021 (issued); and
- $20,000 plus 100,000 common shares or $10,000 (paid) and 200,000 common shares on or before October 22, 2022 (issued); and
- $20,000 plus 100,000 common shares or $10,000 and 200,000 common shares on or before October 22, 2023

There is a 2.5% NSR of which 1.5% can be purchased at any time by the Company from the optionors for $1,000,000 per 1%.

7. EXPLORATION AND EVALUATION EXPENDITURES – (cont'd)

Rancheria Property

On November 2, 2020, the Company entered into a mineral property option agreement to earn up to a 100% working interest in the Rancheria South mineral property located in the Liard Mining Division in the Province of British Columbia, for consideration of the issuance of a total of 1,500,000 common shares of the Company over a period of three years from the date of the agreement, subject to TSX-V approval which was received on December 11, 2020.

The Company issued 100,000 common shares at a fair value of $12,000 (issued) to the optionor on December 15, 2020 and will issue:

- 250,000 common shares on or before November 2, 2021 (issued);
- 400,000 common shares on November 2, 2022; and
- 750,000 common shares on November 2, 2023.

The Company is committed to incurring exploration expenditures on the Rancheria Property totaling $175,000 as follows:

- $25,000 on or before November 2, 2021 (incurred);
- an additional $50,000 on or before November 2, 2022 (incurred); and,
- an additional $100,000 on or before November 2, 2023.

There is a 2% NSR which can be reduced to 1% upon the payment of $1,000,000.

During the year ended September 30, 2022, the Company terminated the mineral property option agreement.

Amy and Silverknife Property

On February 10, 2021, the Company entered into a mineral property option agreement to acquire up to a 100% working interest in the Silverknife and Amy mineral properties in the Liard Mining Division in the Province of British Columbia, for consideration comprised of cash and the issuance of common shares of the Company, subject to TSX-V approval, which was received on February 25, 2021, and the Company paid $15,000 cash on February 4, 2021 and issued 100,000 common shares at a fair value of $19,500 to the optionors on March 4, 2021.

Pursuant to this agreement, the Company is required to make the following additional payments:

- $15,000 plus issue 200,000 common shares on or before February 10, 2022 (issued and paid);
- $20,000 plus issue 400,000 common shares on or before February 10, 2023(issued and paid); and
- $40,000 plus issue 500,000 common shares on or before February 10, 2024;.

The Company is committed to incurring exploration expenditures on the Amy and Silverknife Property totaling $60,000 as follows:

- $10,000 on or before February 10, 2022 (incurred);
- an additional $20,000 on or before February 10, 2023 (incurred); and
- an additional $30,000 on or before February 10, 2024 (incurred).

There is a 2% NSR of which 1% can be purchased at any time by the Company from the optionors for $1,000,000.

7. EXPLORATION AND EVALUATION EXPENDITURES – (cont'd)

Terra Nova Property

On October 22, 2020, the Company entered into a mineral property option agreement to earn up to a 100% working interest in the Terra Nova Property located in the Terra Nova District in Central Newfoundland, for consideration of cash only, $5,000 (paid) which was due on signing, and subsequent payments as follows:

- $10,000 on or before October 22 2021 (paid);
- $20,000 on or before October 22, 2022 (paid); and
- $30,000 on or before October 22, 2023.

On the fifth anniversary date, an advance royalty is to be paid of $5,000 per year to the optionors and a NSR of 2% of which 1.0% can be purchased at any time by the Company for $1,000,000.

On July 4, 2022, the Company entered into a property option agreement with Highbank Resources Ltd. ("Highbank") whereby Highbank has the option to acquire an 80% interest in and to the claims of the Terra Nova property subject to a 2% Net Smelter Return royalty pursuant to an underlying agreement. As consideration Highbank will pay an aggregate of $10,000 in cash within 30 days of signing the agreement (received) and subsequent payments as follows:

- $20,000 on or before October 21, 2022 (received);
- $30,000 on or before October 21, 2023;
- issue 500,000 common shares on the effective date (received);
- issue 500,000 common shares within six months of the effective date (received subsequently); and,
- issue 500,000 common shares of Highbank within on year of the effective date.

When the option is exercised, Highbank and the Company shall enter into and be bound by the terms of a joint venture agreement, which agreement shall be completed in a timely manner at any time following the exercised by Highbank of the option. The joint venture agreement shall contain the following provisions:

- Highbank shall be the operator of the joint venture, provided that Highbank has exercised the option in full;
- Highbank and the Company shall participate on a pro-rata basis in all financing programs relating to the exploration, development and production of minerals extracted from the claims; and
- Dilution of interests in and to the claims in the event of partial or non-participation.

Rodney Pond Property

On January 6, 2022, the Company acquired an option to earn up to a 100% working interest in the Rodney Pond Property in the highly prospective Gander Subzone in central Newfoundland, subject to an option agreement with Nancy, Stephen and Larry Rogers (the prospectors) of Hare Bay, Nfld. Pursuant to the terms of the agreement the Company will make the following to the prospectors:

- $10,000 cash payment and issuance of 50,000 common shares on execution of the agreement. (issued and paid)
- First anniversary date, January 6, 2023: $10,000 cash and 50,000 common shares (issued and paid);
- Second anniversary date, January 6, 2024: $15,000 cash and 75,000 common shares; and
- Third anniversary date, January 6, 2025: $25,000 cash and 125,000 common shares;

In addition, the agreement provides for a conventional royalty of 2%, of which 1% can be purchased at any time by the Company from the prospectors for $1,000,000.

(Expressed in Canadian dollars)

8. LOANS

Regional Relief and Recovery Fund Loan

During the year ended September 30, 2020, the Company received a $40,000 loan from Her Majesty the Queen in Right of Canada as represented by the Minister responsible for Western Economic Diversification Canada (the "Minister"), pursuant to the Regional Relief and Recovery Fund ("RRRF") program (the "RRRF Loan"). The RRRF Loan was made available on certain terms and conditions, and in reliance on attestations made by the Company in the loan agreement.

During the year ended September 30, 2022, the Company receive an additional $20,000 in RRRF to the maximum of $60,000.

The RRRF Loan is an interest-free loan until December 31, 2023. If the Company repays $34,000 by December 31, 2023, a balance of $20,000 will be forgiven. If on December 31, 2023, the Company has not repaid the $40,000, it may exercise the option for a 3-year term extension and, accordingly, a 5% interest rate will be applied during this extension period on any balance remaining.

On initial recognition, the Company recorded the RRRF Loan at a fair value based on a prevailing market rate of 17%. The Company recorded the result of the benefit received from the interest-free RRRF Loan as a government grant. The portion of the forgivable RRRF Loan was also treated as a government grant, given reasonable assurance that the Company will meet the terms for forgiveness of the loan.

RRRF Loan		**March 31, 2023**		**September 30, 2022**
Balance, opening	$	32,862	$	24,646
Accretion		2,676		3,642
Additions		-		20,000
Government grant		-		(15,426)
Balance, ending	$	35,538	$	32,862

9. PREFERRED SHARES

The Company's subsidiary (0877887 B.C. Ltd.) issued 5,000 Class A non-voting preferred shares (the "Class A preferred shares") at a price of $100 per share, for total proceeds of $500,000. Attached to these preferred shares is an annual non-cumulative preferred cash dividend of 4.5% of the total, payable annually on March 31 of each year. To March 31, 2023, no dividends have been declared.

After April 9, 2015, redemption may be affected in whole or any number of the Class A preferred shares, if the Company is not insolvent at such time and that the redemption would not render the Company insolvent, as follows:

- Company: Upon giving no less than 10-day notice to the holders. If notice to redemption is given by the Company and holders of the Class A preferred shares fail to present and surrender the share certificates representing the shares called for redemption, the Company may deposit an amount sufficient to redeem the shares with any trust company or chartered bank of Canada and the holder will have no rights against the Company in respect of such shares except upon the surrender of certificates for such shares to receive payment; and
- Holder: Upon giving notice to the Company, the Company shall pay the holder within 30 days a redemption amount, in respect of each of the shares specified in the notice.

The preferred shares are treated as a liability.

(Expressed in Canadian dollars)

10. RESTORATION AND ENVIRONMENTAL OBLIGATIONS

As at March 31, 2023, the Company measured the best estimated of the future remediation costs for reclamation that arose as a result of past exploration activities to be $575,099 for the Bishop Mill Property and Silver Hart Property (Notes 6 and 7). The fair value of the liability was determined to be equal to the estimated remediation costs. The timing of the cash flow related to the reclamation activities is beyond one year with not fixed timeline at this time.

The Company was subject to a claim made by the Government of the Yukon Territory related to the remediation of the Silver Hart mineral property pursuant to its exploration program. The Company's provision for future site closure and reclamation costs is based on the level of known disturbance at the reporting date and known legal requirements. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments. The Company has accrued a provision of $146,070 by way of estimating its obligation to remediate the claim. This liability is secured by a Letter of Credit secured by a guaranteed investment certificate for the same amount which bore interest at 2.05% per annum and cashable at maturity and is included in reclamation bond at March 31, 2023.

The movement of the restoration and environmental obligations are as follows:

		Silver Hart		Bishop Mill		Total
Balance at September 30, 2021	$	146,070	$	246,652	$	392,722
Increase in estimate		-		152,512		152,512
Foreign Exchange		-		29,865		29,865
Balance at September 30, 2022	$	146,070	$	429,029	$	575,099
Foreign Exchange		-		(5,446)		(5,446)
Balance at March 31, 2023	$	146,070	$	423,583	$	569,653

11. SHARE CAPITAL

Authorized

Unlimited common shares, without par value
Unlimited Class A preferred share, non-voting, without par value

Issued common shares

As at March 31, 2023 – 138,307,831 (September 30, 2022 – 127,489,553) common shares are issued and outstanding.

For the six months ended March 31, 2023

During the six months ended March 31, 2023, the Company issued 680,150 common shares pursuant to the exercise of share purchase warrants at a price of $0.20 per share for total proceeds of $136,030. The Company transferred $49,729 from contributed surplus.

On February 8, 2023, the Company issued 400,000 common shares at a fair value of $60,000 pursuant to the Amy and Silverknife property option agreement. (Note 7)

On January 9, 2023, the Company issued 50,000 common shares at a fair value of $9,000 pursuant to the Rodney property option agreement. (Note 7)

On December 7, 2022, the Company issued an aggregate of 5,454,100 flow-through ("FT") units at a price of $0.22 per FT unit for total proceeds of $1,199,902. Each FT unit consists of one FT share of the Company and one-half of one transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.25 per share on or before December 7, 2024. The Company used the pro rata method with respect to the measurement of shares and warrants issued and a fair value of $298,123 was allocated to the 2,727,050 share purchase warrants. In connection to the financing the Company paid a finders fees of $56,994 and issued 259,065 non-transferable finders' warrants exercisable at $0.22 per share expiring on December 7, 2024. The Company fair value the finders' warrants at $38,860 using the Black-Scholes Option Pricing Model with the following assumptions: risk free interest rate – 4.02%; annual dividends - nil; expected life - 24 months; expected stock price volatility- 125%. There was no flow-through premium on this private placement.

11. SHARE CAPITAL – (cont'd)

Issued common shares - (cont'd)

For the six months ended March 31, 2023 - (cont'd)

On November 11, 2022, the Company issued 150,000 common shares pursuant to the exercise of stock options at a price ranging from $0.12 to $0.13 per share for total proceeds of $18,500. The Company transferred $17,367 from contributed surplus.

On October 19, 2022, the Company issued 200,000 common shares at a fair value of $32,000 pursuant to the Bridal Veil property option agreement. (Note 7)

On October 12, 2022, the Company issued an aggregate of 3,884,028 units consisting of 656,250 NFT units at a price of $0.16 per NFT unit and 3,227,778 FT units at a price of $0.18 per FT unit for total proceeds of $686,000 of which $5,000 is a receivable. Each NFT unit consists of one common share of the company and one-half of one transferable share purchase warrant. Each FT unit consists of one FT share of the company and one-half of one transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per share on or before October 13, 2024. The Company used the pro rata method with respect to the measurement of shares and warrants issued and a fair value of $139,972 was allocated to the 1,942,014 share purchase warrants. In connection to the financing the Company paid a finders fees of $47,956 and issued 321,640 non-transferable finders' warrants exercisable at $0.20 per share expiring on October 13, 2024. The Company fair value the finders' warrants at $32,165 using the Black-Scholes Option Pricing Model with the following assumptions: risk free interest rate – 3.87%; annual dividends - nil; expected life - 24 months; expected stock price volatility- 128%. The Company recognized a flow-through premium of $64,556 on the private placement.

For the year ended September 30, 2022

On September 26, 2022, the Company issued an aggregate of 4,323,111 units consisting of 2,575,000 non-flow-through ("NFT") units at a price of $0.16 per NFT unit and 1,748,111 flow-through ("FT") units at a price of $0.18 per FT unit for total proceeds of $726,660 of which $97,192 is included in share subscription receivable at September 30, 2022. This amount was received subsequent to September 30, 2022. Each NFT unit consists of one common share of the company and one-half of one transferable share purchase warrant. Each FT unit consists of one FT share of the Company and one-half of one transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per share on or before September 27, 2024. The Company used the pro rata method with respect to the measurement of shares and warrants issued and a fair value of $154,606 was allocated to the 2,161,556 share purchase warrants. In connection to the financing the Company paid a finders fees of $24,616. The Company recognized a flow-through premium of $34,962 on the private placement.

On May 24, 2022, the Company issued 300,000 common shares pursuant to the exercise of stock options at a price of $0.13 per share for total proceeds of $39,000. The Company transferred $37,119 from contributed surplus.

On April 19, 2022, the Company issued an aggregate of 20,158,942 units consisting of 13,761,998 NFT units at a price of $0.15 per NFT unit and 6,396,944 FT units at a price of $0.17 per FT unit for total proceeds of $3,151,780. Each NFT unit consists of one common share of the company and one-half of one transferable share purchase warrant. Each FT unit consists of one FT share of the company and one-half of one transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per share on or before April 19, 2024. The Company used the pro rata method with respect to the measurement of shares and warrants issued and a fair value of $689,473 was allocated to the 10,079,471 share purchase warrants. In connection to the financing the Company paid a finders fees of $167,363 and issued 523,217 non-transferable finders' warrants exercisable at $0.20 per share expiring on April 19, 2024. The Company fair value the finders' warrants at $34,037 using the Black-Scholes Option Pricing Model with the following assumptions: risk free interest rate – 2.50%; annual dividends - nil; expected life - 24 months; expected stock price volatility- 131%. The Company recognized a flow-through premium of $128,205 on the private placement.

On February 25, 2022, the Company issued 50,000 common shares at a fair value of $7,500 pursuant to the Rodney Pond property option agreement. (Note 7)

11. SHARE CAPITAL – (cont'd)

Issued common shares - (cont'd)

For the year ended September 30, 2022 - (cont'd)

On February 22, 2022, the Company issued 200,000 common shares at a fair value of $28,000 pursuant to the Amy and Silverknife mineral property option agreement. (Note 7)

On December 3, 2021, the Company issued 7,500,000 FT units at a price of $0.10 per FT unit. Each FT unit consists of one FT share of the company and one-half of one transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share of the company at a price of $0.15 per share on or before December 3, 2023. The Company used the pro rata method with respect to the measurement of shares and warrants issued and a fair value of $173,119 was allocated to the 3,750,000 warrants. In connection to the financing the Company paid a finders fees of $45,500 and other share issue cost of $4,110 and issued 455,000 non-transferable finders' warrants exercisable at $0.10 per share expiring on December 3, 2023. The Company fair value the finders' warrants at $21,600 using the Black-Scholes Option Pricing Model with the following assumptions: risk free interest rate – 0.99%; annual dividends - nil; expected life - 24 months; expected stock price volatility- 137%.

On October 27, 2021, the Company issued 250,000 common shares at a fair value of $26,250, pursuant to the Rancheria mineral property option agreement (Note 7).

On October 6, 2021, the Company issued 200,000 common shares at a fair value of $19,000, pursuant to the Bridal Veil mineral property option agreement (Note 7).

Stock options

The Company follows the policies of the TSX-V under which it would be authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the policies, the exercise price of each option equals the market price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years. The Company calculated the fair value of all stock-based compensation awards as determined using the Black-Scholes Option Pricing Model.

On January 13, 2021, the Company granted 2,010,000 stock options at a price of $0.20 per share expiring on January 13, 2026 to certain of its directors, officers, employees, and consultants of the Company pursuant to the Company's Rolling Share Option Plan. 1,760,000 of the options granted vest over 90 days, and 250,000 of the options granted vest in stages over a period of twelve months from the date of grant with no more than one-quarter of the options. The weighted average fair value of stock options granted was $324,012 using the Black-Scholes Option Pricing Model with the following assumptions: risk free interest rate – 0.36%; annual dividends - nil; expected life - 60 months; expected stock price volatility- 147%. During the year ended September 30, 2022, the Company recorded $73 in share-based payments for vested stock options.

On July 2, 2021, the Company granted 950,000 stock options to directors, officers and to consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at a price of $0.13 per share expiring on July 2, 2026 and vested at 25% every quarter with the first vesting on October 2, 2021. The fair value of the stock options of $117,705 was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.13; Risk-free interest rate of 0.78%; Dividend yield of nil; Expected volatility of 177%; Expected life of 5 years. During the year ended September 30, 2022, the Company recorded $57,601 in share-based payments for vested stock options.

On December 31 2021, the Company granted 2,500,000 stock options to directors, officers and to consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at a price of $0.12 per share expiring on December 31, 2026 and vested at the date of grant. The fair value of the stock options of $279,500 was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.13; Risk-free interest rate of 1.30%; Dividend yield of nil; Expected volatility of 128%; Expected life of 5 years. During the year ended September 30, 2022, the Company recorded $279,500 in share-based payments.

On April 29, 2022, the Company granted 300,000 stock options to a consultant of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at a price of $0.21 per share expiring on April 29, 2027 and vested at the date of grant. The fair value of the stock options of $60,720 was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.23; Risk-free interest rate of 2.64%; Dividend yield of nil; Expected volatility of 125%; Expected life of 5 years. During the year ended September 30, 2022, the Company recorded $60,720 in share-based payments.

(Expressed in Canadian dollars)

11. SHARE CAPITAL – (cont'd)

Stock options – (cont'd)

On February 15, 2023, the Company granted 2,250,000 stock options to directors and consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at a price of $0.15 per share expiring on February 15, 2028 and vested at the date of grant. The fair value of the stock options of $272,025 was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.14; Risk-free interest rate of 3.54%; Dividend yield of nil; Expected volatility of 131%; Expected life of 5 years. During the six months ended March 31, 2023, the Company recorded $272,025 in share-based payments.

Volatility was determined based on the Company's historical data.

The following table summarizes the continuity of the Company's stock options:

	Number of Stock Options	Weighted Average Exercise Price
Balance, September 30, 2021	2,960,000	$0.18
Granted	2,800,000	0.13
Exercised	(300,000)	0.13
Cancelled	(435,000)	0.20
Balance, September 30, 2022	5,025,000	$0.15
Granted	2,250,000	0.15
Exercised	(150,000)	0.12
Balance, March 31, 2023	7,125,000	$0.15

As at March 31, 2023, the Company had stock options outstanding enabling holders to acquire the following:

Number of Options	Vested	Weighted Average Remaining Life	Exercise Price per Option	Expiry Date
1,600,000	1,600,000		$0.20	January 13, 2026
575,000	575,000		$0.13	July 2, 2026
2,400,000	2,400,000		$0.12	December 31, 2026
300,000	300,000		$0.21	April 29, 2027
2,250,000	2,250,000		$0.15	February 15, 2028
7,125,000	7,125,000	3.90 years		

Share-based payment reserve:

The share-based payment reserve records items recognized as share-based payments, expenses, and other share-based payments until such time that the stocks options or warrants are exercised at which time the corresponding amount will be transferred to share capital.

(Expressed in Canadian dollars)

11. SHARE CAPITAL – (cont'd)

Share Purchase Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2021	12,098,569	$0.26
Issued	16,969,244	0.19
Balance, September 30, 2022	29,067,813	$0.22
Issued	5,249,779	0.23
Exercised	(680,150)	0.20
Expired	(4,237,500)	0.20
Balance, March 31, 2023	29,399,942	$0.22

As at March 31, 2023, the Company had share purchase warrants outstanding enabling holders to acquire the following:

Number of Share Purchase Warrants	Number of Share Purchase Warrants	Total Number of Share Purchase Warrant	Weighted Average Remaining Life	Exercise Price per Share	Expiry Date
2 for 1 basis	1 for 1 basis				
7,099,235	199,334	7,298,569		$0.30	June 14, 2023
-	3,750,000	3,750,000		$0.15	December 3, 2023
-	455,000	455,000		$0.10	December 3, 2023
-	10,079,471	10,079,471		$0.20	April 19, 2024
-	405,567	405,567		$0.20	April 19, 2024
-	2,161,556	2,161,556		$0.20	September 27, 2024
-	2,263,664	2,263,664		$0.20	October 13, 2024
-	2,727,050	2,727,050		$0.25	December 7, 2024
-	259,065	259,065		$0.22	December 7, 2024
7,099,235	22,300,707	29,399,942	0.92 years		

12. RELATED PARTY TRANSACTIONS

The Company entered the following transactions with related parties:

a) incurred exploration expenditures of $86,400 (March 31, 2022 - $74,285) with a director or a company controlled by a director and officer of the Company.
b) incurred share-based payments of $194,649 (March 31, 2022 - $277,513) with directors and officers of the Company.
c) incurred consulting and office and miscellaneous of $55,339 (March 31, 2022 - $3,800) with companies controlled by either a director and/or officer of the Company.

On March 31, 2023, prepaid expenses includes $39,446 (September 30, 2022 - $Nil) in prepaid consulting fees and exploration expenditures to a director and a company controlled by a director of the Company.

On March 31, 2023, a total of $18,000 (September 30, 2022 - $30,325) was owing to directors and a company controlled by a director of the Company, unsecured, non-interest bearing, no specific terms of repayment.

13. FINANCIAL RISK AND CAPITAL MANAGEMENT

The fair value of the Company's financial assets and liabilities approximates its carrying amount.

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

The Company's only financial instrument measured at fair value are its marketable securities, for which the fair value is determined using closing prices at the reporting date with any unrealized gain or loss recognized in profit or loss. The marketable securities are classified as Level 1.

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

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts.

The majority of cash and cash equivalents is deposited in bank accounts held with one major bank in Canada. As most of the Company's cash is held in one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its receivables and reclamation bond. This risk is minimal as receivables consist primarily of refundable government goods and services taxes and the reclamation bond are held with the financial institution.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The Company has a working capital of $1,347,935 as at March 31, 2023 (September 31, 2022 - $298,679). Liquidity risk is assessed as high.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. Foreign exchange risk is assessed as low.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest earned on cash is at nominal interest rates and therefore, the Company does not consider interest rate risk to be significant.

Capital management
The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

14. FLOW THROUGH SHARE COMMITMENT

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price or concurrent non-flow-through share price of common shares. The incremental proceeds, or "premium", are recorded as deferred income.

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the six months ended March 31, 2023, the Company received $1,780,902 from the issuance of flow-through shares. A flow through premium liability of $64,556 was initially recognized of which the Company recognized $52,716 as other income and has remaining $11,839 in flow-through premium as at March 31, 2023, and a commitment to incur an additional $1,306,457 in exploration expenditures by the end of December 31, 2023.