**EAGLE PLAINS RESOURCES LTD.**
**(An Exploration Stage Corporation)**
**CONDENSED CONSOLIDATED**
**INTERIM FINANCIAL STATEMENTS**
For the period ended
September 30, 2022

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

**EAGLE PLAINS RESOURCES LTD.**
**(An Exploration Stage Corporation)**
**CONDENSED CONSOLIDATED**
**INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the period ended September 30, 2022.

## NOTICE TO READER OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Management of Eagle Plains Resources Ltd. is responsible for the preparation of the accompanying condensed consolidated interim financial statements as at September 30, 2022.

These condensed consolidated interim financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Crowe MacKay LLP.

The condensed consolidated interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

| | |
|---|---|
| *"Timothy J Termuende"* | *"Glen J Diduck"* |
| Timothy J. Termuende, P. Geo | Glen J. Diduck |
| President and Chief Executive Officer | Chief Financial Officer |

**EAGLE PLAINS RESOURCES LTD.**
**(An Exploration Stage Corporation)**
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

| | **Sep 30 2022 (unaudited)** | Dec 31 2021 (audited) |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash and cash equivalents | **$10,301,256** | $5,005,708 |
| Accounts receivable (Note 4) | **1,126,029** | 659,149 |
| Prepaid expenses | **53,583** | 40,920 |
| Investments (Note 5) | **816,418** | 4,533,864 |
| Mineral exploration tax credits recoverable | **157,787** | 157,787 |
| | **12,455,073** | 10,397,428 |
| **Reclamation bonds** (Note 12) | **127,778** | 127,778 |
| **Property and equipment** (Note 6) | **1,526,900** | 1,399,822 |
| **Exploration and evaluation assets** (Note 7) | **1,528,295** | 505,474 |
| | **$15,638,046** | $12,430,502 |
| **Liabilities and Shareholders' Equity** | | |
| **Current** | | |
| Accounts payable and accrued liabilities (Note 13) | **$ 865,503** | $440,070 |
| Prepaid deposits | **1,174,811** | 355,742 |
| Reclamation deposits | **68,172** | 68,172 |
| Premium on flow-through shares | **43,265** | - |
| Current portion of lease liabilities (Note 8) | **14,027** | 24,689 |
| | **2,165,778** | 888,673 |
| **Long-term liabilities** | | |
| Lease liabilities (Note 8) | **-** | 9,284 |
| Total liabilities | **2,165,778** | 897,957 |
| **Shareholders' equity** | | |
| Share capital (Note 9) | **25,961,964** | 24,638,820 |
| Contributed surplus (Note 9) | **5,131,158** | 4,743,711 |
| Deficit | **(17,620,854)** | (17,849,986) |
| | **13,472,268** | 11,532,545 |
| | **$15,638,046** | $12,430,502 |

**Nature and continuance of operations** (Note 1)
**Commitments and contingencies** (Note 12)
**Subsequent events** (Note 18)

**On behalf of the Board:**

*"Timothy J Termuende"* Director
Mr. Timothy J. Termuende (Signed)

*"Glen J Diduck"* Director
Mr. Glen J. Diduck (Signed)

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

**EAGLE PLAINS RESOURCES LTD.**
**(An Exploration Stage Corporation)**
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME**
(Unaudited – prepared by management)
Expressed in Canadian dollars

| | Three Months Ended Sep 30 | | Nine Months Ended Sep 30 | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| **Revenue** | | | | |
| Geological services | **$4,173,780** | $3,435,313 | **$15,453,077** | $9,678,531 |
| **Cost and Expenses of Operations** | | | | |
| **Geological expenses** | | | | |
| Services | **2,965,180** | 2,268,187 | **12,201,627** | 6,980,428 |
| Depreciation | **35,547** | 34,553 | **117,798** | 93,870 |
| Salaries and subcontractors | **538,726** | 542,938 | **1,288,250** | 1,210,570 |
| | **3,539,453** | 2,845,678 | **13,607,675** | 8,284,868 |
| **Gross profit** | **634,327** | 589,635 | **1,845,402** | 1,393,663 |
| **Operating expenses** | | | | |
| Administration costs (Note 11) | **307,079** | 181,435 | **902,581** | 693,912 |
| Professional fees (Note 11) | **102,530** | 11,109 | **222,666** | 41,553 |
| Public company costs | **18,803** | 6,299 | **30,810** | 23,234 |
| Trade shows, travel and promotion | **44,917** | 29,490 | **171,064** | 95,716 |
| | **(473,329)** | (228,333) | **(1,327,121)** | (854,415) |
| **Operating income before other items** | **160,998** | 361,302 | **518,281** | 539,248 |
| **Other items** | | | | |
| Bad debts | **-** | - | **-** | 105 |
| Depreciation | **(17,007)** | (9,374) | **(38,772)** | (28,124) |
| Share-based payments (Notes 9 and 11) | **(6,092)** | (2,637) | **(387,447)** | (14,603) |
| Other income | **48,016** | 19,102 | **172,127** | 123,294 |
| Investment income | **19,527** | 1,905 | **26,300** | 7,314 |
| Premium on flow-through shares | **108,156** | - | **108,156** | 24,253 |
| Unrealized loss on investments | **(117,508)** | (202,836) | **(2,375,812)** | (603,515) |
| Option proceeds in excess of carrying value | **45,000** | - | **255,117** | 248,750 |
| Gain on disposal of equipment | **107,724** | - | **107,724** | 6,702 |
| Gain on sale of investments | **-** | 40,816 | **1,843,458** | 62,359 |
| | **187,816** | (153,024) | **(289,149)** | (173,465) |
| **Net income for the period** | **$ 349,814** | $ 208,278 | **$ 229,132** | $ 365,783 |
| **Net income per share** – basic and diluted (Note 10) | **$0.00** | $0.00 | **$0.00** | $0.00 |
| **Weighted average number of shares** – basic and diluted (Note 10) | **109,510,492** | 99,789,669 | **106,910,210** | 99,789,669 |

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

**EAGLE PLAINS RESOURCES LTD.**
**(An Exploration Stage Corporation)**
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

| | **Nine Months Ended Sep 30 2022** | Nine Months Ended Sep 30 2021 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Income for the period | **$ 229,132** | $ 365,783 |
| Adjustment for: | | |
| Depreciation | **156,570** | 121,994 |
| Bad debts | **-** | (105) |
| Share-based payments | **387,447** | 14,603 |
| Gain on sale of investments | **(1,843,458)** | (62,359) |
| Fair value adjustment for investments | **2,375,812** | 603,515 |
| Option proceeds in excess of carrying value | **(255,117)** | (248,750) |
| Premium on flow-through shares | **(108,156)** | (24,253) |
| Gain on disposal of equipment | **(107,724)** | (6,702) |
| | **834,506** | 763,726 |
| Changes in non-cash working capital items | | |
| Increase in accounts receivable | **(466,880)** | (1,272,937) |
| Increase in prepaid expenses | **(12,663)** | (34,596) |
| Increase in accounts payable and accrued liabilities | **425,436** | 458,193 |
| Increase in prepaid deposits | **819,069** | 384,698 |
| Decrease in BCMETC receivable | **42,226** | - |
| Increase in reclamation deposits | **-** | 11,800 |
| | **1,641,694** | 310,884 |
| **Cash flows from financing activities** | | |
| Lease payments | **(19,946)** | (19,455) |
| Proceeds from shares issued in flow-through financing | **1,287,080** | - |
| Proceeds from exercise of options | **191,125** | - |
| Share issue costs | **(3,640)** | - |
| | **1,454,619** | (19,455) |
| **Cash flows from investing activities** | | |
| Proceeds from sale of investments | **3,293,341** | 108,461 |
| Purchase of reclamation bond | **-** | (41,000) |
| Redemption of reclamation bond | **-** | 12,618 |
| Cash received for option payments | **290,017** | 160,183 |
| Exploration of mineral exploration properties | **(1,208,197)** | (648,505) |
| Proceeds from sale of equipment | **148,000** | 7,000 |
| Purchase of property and equipment | **(323,926)** | (208,990) |
| | **2,199,237** | (610,233) |
| **Increase (decrease) in cash and cash equivalents** | **5,295,548** | (318,804) |
| Cash and cash equivalents, beginning of period | **5,005,708** | 4,836,721 |
| **Cash and cash equivalents, end of period** | **$10,301,256** | $4,517,917 |
| **Cash and cash equivalents comprise:** | | |
| Bank deposits | **$ 3,444,293** | $1,651,846 |
| Term deposits | **6,856,962** | 2,866,071 |
| | **$10,301,256** | $4,517,917 |

The Company made no cash payments for interest or income taxes.
The Company received cash payments of $26,300 (2021 - $7,314) for interest.
Supplemental Cash Flow Information (Note 14)

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

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**

(Unaudited – prepared by management)
(Expressed in Canadian dollars)

| | Share Capital | | Contributed | | |
|---|---|---|---|---|---|
| | Shares | Amount | Surplus | Deficit | Total |
| Balance, December 31, 2020 | 99,789,669 | $24,271,256 | $4,901,285 | ($18,735,256) | $10,437,285 |
| Share-based payments | - | - | 14,603 | - | 14,603 |
| Income for the period | - | - | - | 365,783 | 365,783 |
| Balance, September 30, 2021 | 99,789,669 | $24,271,256 | $4,915,888 | ($18,369,473) | $10,817,671 |
| | | | | | |
| Balance, December 31, 2021 | 101,684,669 | $24,638,820 | $4,743,711 | ($17,849,986) | $11,532,545 |
| Proceeds from flow-through financing | 7,571,058 | 1,287,080 | - | - | 1,287,080 |
| Options exercised | 1,160,000 | 191,125 | - | - | 191,125 |
| Share issue costs | - | (3,641) | - | - | (3,641) |
| Premium on flow-through shares | - | (151,421) | - | - | (151,421) |
| Share-based payments | - | - | 387,447 | - | 387,447 |
| Income for the period | - | - | - | 229,132 | 229,132 |
| **Balance, September 30, 2022** | **110,415,727** | **$25,961,964** | **$5,131,158** | **($17,620,854)** | **$13,472,268** |

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

## 1. Nature and Continuance of Operations

Eagle Plains Resources Ltd. (the “Company” or “Eagle Plains” or “EPL”) was incorporated on March 30, 1994, pursuant to the Alberta Business Corporation Act (Alberta), and is extra provincially registered in the Yukon, British Columbia, the Northwest Territories and Saskatchewan. The Company is a junior resource company holding properties located in British Columbia, Yukon, the Northwest Territories and Saskatchewan for the purpose of exploring for, and the development of, mineral resources and it is considered to be in the exploration stage.

The Company also provides geological services on its properties optioned to others and properties owned by others through its subsidiary, TerraLogic Exploration Inc. (incorporated pursuant to the British Columbia Corporation Act). The gross profit reported on the condensed consolidated interim statements of comprehensive income (loss) relates solely to geological services provided to third parties.

The Company’s corporate office and principal place of business is Suite 200, 44-12th Avenue South, Cranbrook, British Columbia, Canada.

These condensed consolidated interim financial statements have been prepared on the basis that the Company is a going concern which envisions the Company will be able to realize assets and discharge liabilities in the normal course of operations. Recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and attain profitable production or proceeds from the disposition of the exploration and evaluation assets in excess of the carrying amount.

In 2020 there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company’s operations. The Company has been able to continue with business with minimal impact, the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or future results of operations cannot be predicted at this time. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

## 2. Basis of Preparation

(a) Statement of Compliance

The condensed consolidated interim financial statements for the Company for the periods ending September 30, 2022 and 2021 are prepared in accordance with International Accounting Standard 34 (“IAS 34”), Interim Financial Reporting, using accounting policies which are consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 24, 2022.

(b) Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss (“FVTPL”) which are stated at their fair value. These condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

## 2. Basis of Preparation - continued

(c) Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of management estimates include impairment of exploration and evaluation assets; provision of reclamation and environmental obligations, if any; impairment of property and equipment; useful lives for depreciation of property and equipment; and inputs used in accounting for share-based payments in profit or loss.

Areas of significant judgment include the classification of exploration and evaluation expenditures, which requires judgment in determining whether it is likely that future economic benefits will flow to the Company as this would result in the properties being shown as mines under construction instead of exploration and evaluation assets.

## 3. Significant Accounting Policies

The condensed consolidated interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 3 to the audited consolidated financial statements for the year ended December 31, 2021.

New accounting pronouncements
Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting years beginning after January 1, 2022, or later years. Updates that are not applicable or are not consequential to the Company have been excluded in the preparation of these condensed interim financial statements.

The following accounting standards and amendments are effective for future periods.

*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.

**(Expressed in Canadian dollars)**

## 4. Accounts Receivable

Accounts receivable is comprised of:

| | **September 30 2022** | December 31 2021 |
|---|---|---|
| Trade receivables before allowance | **$ 1,372,400** | $ 905,456 |
| Less: allowance for doubtful accounts | **(284,354)** | (284,354) |
| Trade receivables, net | **1,088,046** | 621,102 |
| Other | **37,983** | 38,047 |
| | **$ 1,126,029** | $ 659,149 |

The Company has provided an allowance for lifetime expected credit losses based on the non-ability of certain customers to meet their obligations. The Company does not hold any collateral as security.

## 5. Investments

The Company holds investments that have been designated as FVTPL as follows:

| | **September 30, 2022** | | December 31, 2021 | |
|---|---|---|---|---|
| | **Market Value** | **Cost** | Market Value | Cost |
| Current: | | | | |
| Common shares in public companies | **$ 816,418** | **$ 2,283,295** | $ 4,533,864 | $3,624,934 |

For securities traded in an active market, market value is based on the quoted closing bid prices of the securities at September 30, 2022. Cost is calculated using the quoted closing bid price on the date of receipt of the securities.

During the period, the Company received 2,750,000 (2021 – 2,300,000) shares for the various option and property purchase agreements in effect with an attributed value of $108,250 (2021 - $340,455).

During the period, the Company sold investments and received proceeds of $3,293,341 (2021 - $108,461), resulting in gains on disposal of $1,843,458 (2021 - $62,359).

The Company recorded unrealized losses on investments of $2,375,812 (2021 – $603,515) in the period which is included in the condensed consolidated interim statements of comprehensive income (loss).

(Expressed in Canadian dollars)

## 6. Property and Equipment

| Cost | Land | Automotive | Right-of-Use Assets | Building | Computer Equipment & Software | Furniture & Equipment | Fence | Total |
|---|---|---|---|---|---|---|---|---|
| Balance at December 31, 2020 | $298,856 | $368,465 | $89,649 | $1,062,434 | $141,891 | $391,662 | $13,360 | $2,366,317 |
| Additions | - | 126,535 | - | - | 42,196 | 66,507 | - | 235,238 |
| Disposals | - | (22,856) | - | - | - | - | - | (22,856) |
| Balance at December 31, 2021 | 298,856 | 472,144 | 89,649 | 1,062,434 | 184,087 | 458,169 | 13,360 | 2,578,699 |
| Additions | - | 268,280 | (689) | - | 39,914 | 16,421 | - | 323,926 |
| Disposals | - | (162,522) | - | - | - | - | - | (162,522) |
| **Balance at September 30, 2022** | **$298,856** | **$577,902** | **$88,960** | **$1,062,434** | **$224,001** | **$474,590** | **$13,360** | **$2,740,103** |

| Accumulated Depreciation | Automotive | Right-of-Use Assets | Building | Computer Equipment & Software | Furniture & Equipment | Fence | Total |
|---|---|---|---|---|---|---|---|
| Balance at December 31, 2020 | $211,170 | $19,868 | $350,663 | $128,337 | $307,798 | $8,443 | $1,026,279 |
| Depreciation | 66,272 | 30,482 | 29,636 | 24,851 | 23,423 | 492 | 175,156 |
| Disposals | (22,558) | - | - | - | - | - | (22,558) |
| Balance at December 31, 2021 | 254,884 | 50,350 | 380,299 | 153,188 | 331,221 | 8,935 | 1,178,877 |
| Depreciation | 64,739 | 22,647 | 21,252 | 27,516 | 20,086 | 332 | 156,572 |
| Disposals | (122,246) | - | - | - | - | - | (122,246) |
| **Balance at September 30, 2022** | **$197,377** | **$72,997** | **$401,551** | **$180,704** | **$351,307** | **$9,267** | **$1,213,203** |

| Carrying Value | Land | Automotive | Right-of-Use Assets | Building | Computer Equipment & Software | Furniture & Equipment | Fence | Total |
|---|---|---|---|---|---|---|---|---|
| At December 31, 2021 | $298,856 | $217,260 | $39,299 | $682,135 | $30,899 | $126,948 | $4,425 | $1,399,822 |
| **At September 30, 2022** | **$298,856** | **$380,525** | **$15,963** | **$660,883** | **$43,297** | **$123,283** | **$4,093** | **$1,526,900** |

**(Expressed in Canadian dollars)**

## 7. Exploration and Evaluation Assets

During the period ended September 30, 2022, the Company made acquisition and exploration expenditures of $1,208,196 (2021 - $735,076) and received option payments of $398,267 (2021 - $491,933). As a result of option payments received, the Company recorded in income, option proceeds in excess of carrying value of $255,117 (2021 - $248,750). A BCMETC claim of $42,226 (2021 - $116,870) is being claimed for the period. Exploration and evaluation assets totaled $1,528,295 at September 30, 2022, up from $505,474 at December 31, 2021. See Schedule 1 – Exploration and evaluation and Schedule 2 – Acquisition and exploration additions.

The Company has interests in a number of optioned exploration projects. As at September 30, 2022, the Company has executed option agreements with third parties on the following projects:

**Option Agreements - Third party earn in**
**British Columbia**

(a) **Iron Range Project:** On May 5, 2020, the Company executed an option agreement with a private Alberta company ("AB"), whereby AB may earn up to an 80% interest in the Iron Range property located in south central British Columbia. Under the terms of the agreement, AB may earn a 60% interest (Phase I) by completing $3,500,000 in exploration expenditures and making cash payments totalling $250,000 to Eagle Plains over 5 years. AB retains the right to increase its interest to 80% by making a one-time cash payment of $1,000,000 to Eagle Plains within 90 days of completion of Phase I. Upon completion of the terms of the option agreement a joint venture will be formed as defined in the agreement. Payments are due as follows:

| Cash Payments | Exploration Expenditures | Due Date |
|---|---|---|
| $ 5,000 | $ - | On signing of agreement May 4, 2020 (received) |
| 15,000 | 150,000 | May 4, 2021 (cash received/expenditures completed) |
| 35,000 | 325,000 | May 4, 2022 (cash received/expenditures completed) |
| 50,000 | 650,000 | May 4, 2023 |
| 65,000 | 1,000,000 | May 4, 2024 |
| 80,000 | 1,375,000 | May 4, 2025 |
| $250,000 | $ 3,500,000 | |

(b) **Kalum Project:** On August 13, 2020, the Company executed an option agreement with Rex Resources Corp. (a private B.C. company) ("Rex"), whereby Rex may earn up to a 60% interest in the Kalum property located in northwestern British Columbia. Under the terms of the agreement, Rex may earn a 60% interest by completing $3,000,000 in exploration expenditures, making cash payments totalling $250,000 and issue 1,000,000 common shares to EPL over a three-year period. Upon completion of the terms of the option agreement a joint venture will be formed as defined in the agreement. Eagle Plains will retain a 2.0% NSR Royalty with Rex having the option to repurchase 1.0% of the NSR Royalty for $1.0 million. Payments are due as follows:

| Cash Payments | Share Payments | Expenditures | Due Date |
|---|---|---|---|
| $ 10,000 | - | $ - | On execution of LOI (received) |
| 15,000 | - | - | On execution of agreement (received) |
| - | 200,000 | - | On Exchange approval of listing of shares (received) |
| - | - | 100,000 | December 31, 2020 (completed) |
| 25,000 | 200,000 | - | May 31, 2021 (received) |
| 50,000 | 200,000 | 500,000 | Amended to March 31, 2022 (from December 31, 2021) (received /expenditures completed) |
| 75,000 | 200,000 | 800,000 | December 31, 2022 |
| 75,000 | 200,000 | 1,600,000 | December 31, 2023 |
| $ 250,000 | 1,000,000 | $ 3,000,000 | |

(c) **Slocan Graphite Project:** On November 10, 2021, the Company executed a formal option agreement (regulatory approval received January 25, 2022) with Aben Resources Ltd. ("Aben") whereby Aben holds the exclusive right to earn a 100% interest, less 2% Net Production Royalty ("NPR") in the road-accessible Slocan

(Expressed in Canadian dollars)

## 7. Exploration and Evaluation Assets - continued

**Option Agreements - Third party earn in - continued**
**British Columbia– continued**

(c) **Slocan Graphite Project** - continued
Graphite Project located northwest of Castlegar, British Columbia. Under terms of the Agreement, Aben must complete $1,000,000 in exploration expenditures, issue 850,000 common shares and make $150,000 in cash payments to Eagle Plains over a three-year period. In addition, if at any time Aben or its successors report a resource of greater than 10Mt for tenures comprising the property, EPL will receive a one-time "Success Fee" of 500,000 Aben shares. Eagle Plains will retain a 2.0% NSR Royalty with Aben having the option to repurchase 1.0% of the NSR Royalty for $1.0 million. Payments are due as follows:

| Cash Payments | Share Payments | Expenditures | Due Date |
|---|---|---|---|
| $ 30,000 | 100,000 | $ - | On Exchange approval (received) |
| 25,000 | 150,000 | 250,000 | December 31, 2022 |
| 35,000 | 250,000 | 300,000 | December 31, 2023 |
| 60,000 | 350,000 | 450,000 | December 31, 2024 |
| $ 150,000 | 850,000 | $ 1,000,000 | |

(d) **Dictator Project:** On June 1, 2022, the Company executed a formal option agreement (subject to regulatory approval) with Riverstick Resources Corp. ("Riverstick") whereby Riverstick may earn an undivided 60% interest in the Dictator Project located southeast of Vernon, British Columbia. Under terms of the Agreement, Riverstick must complete $1,500,000 in exploration expenditures, issue 1,000,000 common shares and make $500,000 in cash payments to Eagle Plains over a five-year period. Upon exercise of the first option, Riverstick has the option to acquire an additional 15% interest in the property as provided for in the agreement. Eagle Plains will retain a 2.0% NSR Royalty with Riverstick having the option to repurchase a portion of the NSR Royalty as per the agreement. Payments are due as follows:

| Cash Payments | Share Payments | Expenditures | Due Date |
|---|---|---|---|
| $ 25,000 | 100,000 | $ - | On receipt of Exchange approval |
| - | - | 100,000 | 1st anniversary date |
| 25,000 | 100,000 | - | 2nd anniversary date |
| 75,000 | 100,000 | 400,000 | 3rd anniversary date |
| 125,000 | 200,000 | 500,000 | 4th anniversary date |
| 250,000 | 500,000 | 500,000 | 5th anniversary date |
| $ 500,000 | 1,000,000 | $ 1,500,000 | |

(e) **Donna Project:** On June 1, 2022, the Company executed a formal option agreement (subject to regulatory approval) with Annacotty Resources Corp. (a private BC company) ("Annacotty") whereby Annacotty may earn an undivided 60% interest in the Donna Project located east of Vernon, British Columbia. Under terms of the Agreement, Annacotty must complete $4,000,000 in exploration expenditures, issue 1,200,000 common shares and make $520,000 in cash payments to Eagle Plains over a five-year period. Eagle Plains will retain a 2.0% NSR Royalty with Annacotty having the option to repurchase 1% of the NSR Royalty for $1.0 million. Payments are due as follows:

| Cash Payments | Share Payments | Expenditures | Due Date |
|---|---|---|---|
| $ 35,000 | 100,000 | $ - | On receipt of Exchange approval |
| - | - | 100,000 | 1st anniversary date |
| 35,000 | 150,000 | - | 2nd anniversary date |
| 75,000 | 200,000 | 400,000 | 3rd anniversary date |
| 125,000 | 250,000 | 1,000,000 | 4th anniversary date |
| 250,000 | 500,000 | 2,500,000 | 5th anniversary date |
| $ 520,000 | 1,200,000 | $ 4,000,000 | |

**(Expressed in Canadian dollars)**

## 7. Exploration and Evaluation Assets - continued

**Option Agreements - Third party earn in - continued**

**Saskatchewan**

(f) **Cathro Project:** On February 10, 2020, the Company executed an agreement with SKRR Exploration Inc. ("SKRR") whereby SKRR has the exclusive right to acquire from Eagle Plains a 100% interest in the Cathro gold exploration project located approximately 50km northeast of La Ronge, Saskatchewan. Under terms of the option agreement, SKRR may acquire a 100% interest in the Project by making a cash payment of $4,000 and transferring to EPL an initial 250,000 shares in the capital of SKRR to Eagle Plains on receipt of regulatory approval (received). SKRR has agreed to make additional share payments to EPL of 650,000 shares over a 4-year period. Eagle Plains will retain a 2.0% NSR Royalty with SKRR having the option to repurchase 1.0% of the NSR Royalty for $1.0 million. Payments are due as follows:

| Cash Payments | Share Payments | Due Date |
|---|---|---|
| $ 4,000 | 250,000 | On Exchange acceptance (received) |
| - | 250,000 | February 13, 2021 (received) |
| - | 100,000 | February 13, 2022 (received) |
| - | 100,000 | February 13, 2023 |
| - | 100,000 | February 13, 2024 |
| - | 100,000 | February 13, 2025 |
| $ 4,000 | 900,000 | |

(g) **Eldridge Project:** On June 10, 2022, the Company executed a formal option agreement (subject to regulatory approval) with Shooting Star Acquisition Corp. (a BC capital pool company) ("SSA") whereby SSA may earn an undivided 60% interest in the Eldridge Project located east of La Ronge, Saskatchewan. Under terms of the Agreement, SSA must complete $4,000,000 in exploration expenditures, issue 1,000,000 common shares and make $500,000 in cash payments to Eagle Plains over a four-year period. Eagle Plains will retain a 2.0% NSR Royalty with SSA having the option to repurchase 1% of the NSR Royalty for $1.0 million. Payments are due as follows:

| Cash Payments | Share Payments | Expenditures | Due Date |
|---|---|---|---|
| $ 20,000 | 200,000 | $ - | On the day of the qualifying transaction |
| 30,000 | 200,000 | 120,000 | December 31, 2023 |
| 65,000 | 200,000 | 580,000 | December 31, 2024 |
| 100,000 | 200,000 | 800,000 | December 31, 2025 |
| 285,000 | 200,000 | 2,500,000 | December 31, 2026 |
| $ 500,000 | 1,000,000 | $ 4,000,000 | |

(h) **Knife Lake Project:** On October 31, 2018, Eagle Plains and Rockridge Resources Ltd. ("Rockridge") entered into an option agreement whereby Rockridge may earn a 100% interest in Eagle Plains' 100%-owned Knife Lake Project, located northwest of the community of Sandy Bay, Saskatchewan. To earn a 100% interest, Rockridge has agreed to make a cash payment to Eagle Plains of $150,000, issue 5,250,000 common shares of Rockridge and complete $3,250,000 in exploration expenditures over four years. On August 12, 2020, the Company extended the due date on the second anniversary exploration expenditures and received 300,000 shares from Rockridge as consideration. Eagle Plains will retain a 2.5% net smelter royalty ("NSR") on certain claims which comprise the project (a third party holds a 1% NSR on certain claims on the project). Rockridge may purchase 1.5% of the NSR for $2,000,000. Upon completion of the terms of the option agreement a joint venture will be formed as defined in the agreement. Payments are as follows:

**(Expressed in Canadian dollars)**

**7. Exploration and Evaluation Assets - continued**

**Option Agreements - Third party earn in - continued**
**Saskatchewan – continued**

(h) Knife Lake Project - continued

| Cash Payments | Share Payments | Expenditures | Due Date |
|---|---|---|---|
| $ 150,000 | 2,000,000 | $ - | On Exchange acceptance (received) |
| - | 750,000 | 750,000 | January 2, 2020 (received /expended) |
| - | 300,000 | - | Amendment August 12, 2020 (received) |
| - | 750,000 | - | January 2, 2021 (received) |
| - | - | 750,000 | July 2, 2021 (expended) |
| - | 750,000 | 750,000 | January 2, 2022 (received/expended) |
| - | 1,000,000 | 1,000,000 | January 2, 2023 (received) |
| $ 150,000 | 5,550,000 | $ 3,250,000 | |

(i) **Olson Project:** On October 24, 2019, the Company executed an option agreement with Canex Energy Corp. (subsequently renamed SKRR Exploration Inc.) ("SKRR") whereby SKRR may earn up to a 75% interest in the Olson property located east of La Ronge, northern Saskatchewan. Under terms of the agreement, SKRR may earn 51% interest in the property by completing exploration expenditures of $1,500,000, making cash payments of $250,000 and issuing 800,000 voting class common shares to EPL over a 3-year period. SKRR may earn up to an additional 24% interest (75% total) in the property by making additional exploration expenditures of $1,500,000 and issuing 200,000 common shares of SKRR to Eagle Plains on or before December 31, 2023. Upon completion of the terms of the option agreement a joint venture will be formed as defined in the agreement. Payments for the initial 51% interest are due as follows:

| Cash Payments | Share Payments | Expenditures | Due Date |
|---|---|---|---|
| $ 10,000 | - | $ - | On signing of LOI (received) |
| 20,000 | 200,000 | - | Upon TSXV approval – January 21, 2020 (received) |
| 40,000 | 200,000 | 200,000 | December 31, 2020 (received/completed) |
| 80,000 | 200,000 | 500,000 | December 31, 2021 (received/completed) |
| 100,000 | 200,000 | 800,000 | December 31, 2022 |
| $ 250,000 | 800,000 | $ 1,500,000 | |

(j) **Pine Channel Project:** On May 11, 2021, the Company and Tri Capital Opportunities Corp. (subsequently renamed Apogee Minerals Ltd.) ("APO") executed a formal option agreement whereby APO may acquire up to an 80% interest in EPL's 100%-owned Pine Channel project located west of Stony Rapids, Saskatchewan. To earn an 80% interest in the property, APO will complete $3,000,000 in exploration expenditures, issue 2,000,000 voting class common shares to Eagle Plains and make $150,000 in cash payments over a 4-year period. EPL will retain a 2.0% net smelter returns royalty on the Property (subject to underlying royalties on certain areas of the Property), which royalty may be purchased by APO at any time for $1,000,000. Upon completion of the terms of the option agreement a joint venture will be formed as defined in the agreement. Subsequent to the year ended December 31, 2021, the due dates of the exploration expenditure commitments were amended and the Company received $40,000 as consideration. Payments are as follows:

| Cash Payments | Share Payments | Expenditures | Due Date |
|---|---|---|---|
| $ 25,000 | 200,000 | $ - | On effective date – Dec 20, 2021 (received) |
| 25,000 | 300,000 | - | December 31, 2021 (received) |
| 40,000 | - | - | February 28, 2022 (received) |
| - | - | 100,000 | June 30, 2022 (expended) |
| 50,000 | 300,000 | 500,000 | December 31, 2022/Expenditures June 30, 2023 |
| 50,000 | 500,000 | 800,000 | December 31, 2023/Expenditures June 30, 2024 |

(Expressed in Canadian dollars)

**7. Exploration and Evaluation Assets - continued**

**Option Agreements - Third party earn in - continued**
**Saskatchewan – continued**

(j) Pine channel Project - continued

| Cash Payments | Share Payments | Expenditures | Due Date |
|---|---|---|---|
| - | 700,000 | - | December 31, 2024 |
| - | - | 1,600,000 | June 30, 2025 |
| $ 190,000 | 2,000,000 | $ 3,000,000 | |

(k) **Schotts Lake Project**: On July 22, 2021, the Company executed an option agreement with Canter Capital Corp. ("Canter") whereby Canter may earn up to a 60% interest in the Schott's Lake copper-zinc property located northwest of Flin Flon, Manitoba in northern Saskatchewan. Under terms of the agreement, Canter may earn 60% interest in the property by completing $5,000,000 in exploration expenditures, making cash payments of $500,000 and issuing 1,000,000 voting class common shares to EPL over a 4-year period. A 2% NSR is reserved for Eagle Plains, which may be reduced to 1% upon payment by Canter of $1,000,000. Upon completion of the terms of the option agreement a joint venture will be formed as defined in the agreement. Payments are due as follows:

| Cash Payments | Share Payments | Expenditures | Due Date |
|---|---|---|---|
| $ 10,000 | - | $ - | On execution of LOI (received) |
| 20,000 | 150,000 | - | Upon exchange acceptance or before December 20, 2021 (received) |
| 35,000 | 150,000 | 100,000 | July 31, 2022 (received/expended) |
| 50,000 | 150,000 | 500,000 | December 31, 2022 |
| 75,000 | 150,000 | 800,000 | December 31, 2023 |
| 120,000 | 200,000 | 1,600,000 | December 31, 2024 |
| 190,000 | 200,000 | 2,000,000 | December 31, 2025 |
| $500,000 | 1,000,000 | $ 5,000,000 | |

**Other Agreements**

(l) **Dictator Project:** On September 29, 2020, Eagle Plains executed an option agreement with Aurum Vena Mineral Resources Corp. whereby EPL may earn up to a 100% interest in the Dictator (formerly Lightning Peak) property located south of the Donna project. Under the terms of the agreement, EPL will make exploration expenditures totalling $150,000, cash payments of $70,000 and share payments of 250,000 shares over a five-year period to earn its interest. A one percent net smelter return royalty will be reserved for the vendor, which may be purchased by Eagle Plains for $1,000,000. Payments are due as follows:

| Cash Payments | Share Payments | Expenditures | Due Date |
|---|---|---|---|
| $ 10,000 | - | $ - | On execution of agreement (paid) |
| - | 50,000 | - | Upon exchange acceptance (issued) |
| - | - | 25,000 | December 31, 2020 (completed) |
| 15,000 | 50,000 | 50,000 | December 31, 2021 (paid/completed) |
| 15,000 | 50,000 | 75,000 | December 31, 2022 |
| 15,000 | 50,000 | - | December 31, 2023 |
| 15,000 | 50,000 | - | December 31, 2024 |
| $ 70,000 | 250,000 | $ 150,000 | |

**(Expressed in Canadian dollars)**

## 7. Exploration and Evaluation Assets - continued

**Other Agreements -** continued

(m) **Manson Bay Project:** On August 31, 2020, Eagle Plains executed a mineral claims acquisition agreement with SKRR Exploration Inc.("SKRR") whereby SKRR may purchase a 100% interest in the Manson Bay property located in Saskatchewan. Under the terms of the agreement, SKRR made a cash payment of $10,000 and share payment of 750,000 shares to earn its interest. A 2% net smelter return royalty will be reserved for the EPL, which may be purchased by SKRR for $1,000,000. EPL will serve as operator of the property for 2 years.

## 8. Lease Liabilities and Right-of-Use Assets

The Company has lease liabilities and right-of-use ("ROU") assets recognized. As at September 30, 2022, lease liabilities include truck leases and the ROU assets are depreciated over the term of the respective leases.

During the period, $72,997 (2021 - $42,730) was recorded as depreciation of the ROU assets and $387 (2021 - $901) was recorded as interest, included in administration costs.

The following schedule provides details of the lease liabilities at September 30, 2022:

| Lease payments due | **September 30 2022** |
|---|---|
| 2022 | **$ 4,919** |
| 2023 | **9,255** |
| Future lease payments | **14,174** |
| Less: imputed interest | **(147)** |
| | **14,027** |
| Current portion | **(14,027)** |
| | **$ -** |

## 9. Equity Instruments

(a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of first and second preference shares without nominal or par value, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

(b) Issued and outstanding

At September 30, 2022, there were 110,415,727 (December 31, 2021 – 101,684,669) shares outstanding.

- In the third quarter, the Company completed a flow-through financing, issuing 7,571,058 shares for proceeds of $1,287,080
- In the first quarter 2022, the Company issued 1,160,000 shares for the exercise of options, receiving proceeds of $174,000, of which $29,000 was paid to Taiga Gold Corp. per the 2018 Plan of Arrangement.
- In the fourth quarter 2021, the Company issued 50,000 shares, valued at $8,250, for the earn-in of a mineral property.
- In the fourth quarter 2021, the Company issued 1,845,000 shares for the exercise of options, receiving proceeds of $276,750, of which $46,125 was paid to Taiga Gold Corp. per the 2018 Plan of Arrangement.

**(Expressed in Canadian dollars)**

**9. Equity Instruments - continued**

(c) Stock Option Plan

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price of options granted is not less than the market price of the common shares traded less the available discount under TSX Venture Exchange Inc. policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

During the periods ended September 30, 2022 and 2021, the Company had the following stock option activities:

| Total issued and outstanding | Number of Options | Option Price per Share Range | Weighted Average Exercise Price |
|---|---|---|---|
| Balance, December 31, 2021 | 6,720,000 | $0.15 - $0.20 | $0.18 |
| Exercised[1] | (1,160,000) | (0.15) | (0.15) |
| Granted | 4,100,000 | (0.20 | 0.20 |
| Expired/cancelled | (1,075,000) | ($0.15 - $0.20) | (0.19) |
| **Balance, September 30, 2022** | **8,585,000** | **$0.15 - $0.20** | **$0.20** |

[1]The weighted average share price was $0.18 when the stock options were exercised.

| | | | |
|---|---|---|---|
| Balance, December 31, 2020 and September 30, 2021 | 8,770,000 | $0.15 - $0.20 | $0.18 |

At September 30, 2022, the following table summarizes information about stock options outstanding**:**

| Options Outstanding September 30, 2022 | Exercise Price | Expiry Date | Number of Options Exercisable | Weighted Average Remaining Life |
|---|---|---|---|---|
| 20,000 | $ 0.15 | February 19, 2023 | 20,000 | 0.39 years |
| 620,000 | $ 0.15 | July 4, 2024 | 620,000 | 1.76 years |
| 2,282,000 | $ 0.20 | May 29, 2025 | 2,282,000 | 2.66 years |
| 1,903,000 | $ 0.20 | October 5, 2025 | 1,903,000 | 3.01 years |
| 3,760,000 | $0.20 | January 14, 2027 | 3,635,000 | 4.29 years |
| **8,585,000** | | | **8,460,000** | **2.96 years** |

The weighted average remaining life of the outstanding stock options at September 30, 2022 is 2.96 years (2021 – 2.64 years).

(d) Share-based payments for share options

During the period ended September 30, 2022, $387,447 (2021 – $14,603) was recorded as share-based payments related to options issued and vested during the period. Compensation expense has been determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period.

The Company valued the options granted in the period using the Black-Scholes model and the following weighted average assumptions:

| | **2022 Granted** | **2021 Granted** |
|---|---|---|
| Expected annual volatility | **67.04%** | **n/a** |
| Expected risk free rate | **1.68%** | **n/a** |
| Expected term | **5 years** | **n/a** |
| Expected dividends | **-** | **n/a** |
| Share price at date of grant | **0.18** | **n/a** |
| Exercise price | **0.20** | **n/a** |

Expected volatility is estimated using the historical stock price of the Company.

(Expressed in Canadian dollars)

## 9. Equity Instruments - continued

(e) Warrants outstanding

During the periods ended September 30, 2022 and 2021, the Company had the following warrant activities:

| Total issued and outstanding | Number of Warrants | Exercise Price per Share Range |
|---|---|---|
| Balance, December 31, 2021 | 5,960,000 | $0.30 - $0.40 |
| Issued | 3,785,529 | $0.25 |
| Expired | (4,434,000) | (0.40) |
| **Balance, September 30, 2022** | **5,311,529** | **$0.25 - $0.30** |

| Total issued and outstanding | Number of Warrants | Exercise Price per Share Range |
|---|---|---|
| Balance, December 31, 2020 and September 30, 2021 | 5,960,000 | $0.30 - $0.40 |

At September 30, 2022, the following table summarizes information about warrants outstanding**:**

| Warrants Outstanding September 30, 2022 | Exercise Price | Expiry Date | Weighted Average Remaining Life |
|---|---|---|---|
| 1,526,000 | $ 0.30 | September 25, 2023 | 0.99 years |
| 3,785,529 | $ 0.25 | July 11, 2024 | 1.78 years |
| **5,311,529** | | | **1.25 years** |

(f) Financing

On July 11, 2022, the Company closed a non-brokered public offering. The financing was offered to arms-length and non-arm's length investors and was comprised of 7,571,058 flow-through units at a price of $0.17 per unit for gross proceeds of $1,287,080. Each unit consists of a flow-through common share and one-half non-flow-through common share purchase warrant, each whole warrant exercisable at $0.25 for a 24-month period. The common share purchase warrants are subject to an accelerated expiry at the option of the Company if the published closing trade price of the common shares on the TSX Venture Exchange is greater than or equal to $.50 for any 20 consecutive trading days, in which event the holder may be given notice that the warrants will expire 30 days following the date of such notice. The common share purchase warrants may be exercised by the holder during the 30-day period between the notice and the expiration of the common share purchase warrants.

On issuance, the Company bifurcated the flow-through share into i) a flow-through share premium in the amount $151,421, equal to the estimated premium investors pay for the flow-through feature, which is recognized as another liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the other liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

## 10. Per Share Amounts

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the period ended September 30, 2022 of 106,191,210 shares (2021 – 99,789,699). The net effect of applying the treasury-stock method to the weighted average number of shares outstanding did not impact EPS significantly for 2022 or 2021.

**(Expressed in Canadian dollars)**

## 11. Related Party Transactions

The Company was involved in the following related party transactions during the period:

(a) The Company was related to Taiga Gold Corp. ("Taiga") through common directors until April 14, 2022. During the period the Company had the following transactions with the related company:

| | **2022** | 2021 |
|---|---|---|
| Administrative services provided by EPL | **$ 16,879** | $ 28,836 |
| Costs reimbursed to EPL | **$ 15,258** | $ 7,447 |
| Exploration services provided by EPL | **$ 44,486** | $ 1,622,293 |
| Proceeds to Taiga from exercise of EPL options | **$ (29,000)** | $ (5,467) |

(b) Included in professional fees is $5,269 (2021 - $4,099) paid for legal fees to a law firm of which a former director was a partner at the time of payment.

(c) Compensation to key management personnel in the period:

| | **2022** | 2021 |
|---|---|---|
| Administration costs | | |
| Management fees | **$ 76,820** | $ 72,000 |
| Wages and benefits | **82,755** | 51,234 |
| Professional fees | **31,500** | 31,500 |
| Share-based payments | **214,500** | - |
| | **$ 405,575** | $ 154,734 |

(d) Included in administration costs is $76,820 (2021 - $72,000) paid or accrued for management services to a company owned by a director and officer of the Company.

(e) Included in administration costs is $82,755 (2021 - $51,234) paid or accrued for wages and benefits to a director and officer of the Company.

(f) Included in professional fees is $31,500 (2021 - $31,500) paid or accrued for accounting services to a director and officer of the Company.

(g) The Company granted 2,200,000 (2021 – nil) options, with exercise prices of $0.20 (2021 - $nil) and expiry dates of January 14, 2027 (2021 – nil) to directors of the Company and recorded share-based payments of $214,500 (2021 - $nil).

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment unless otherwise specified.

## 12. Commitments and Contingencies

The Company has $127,778 (December 31, 2021 - $127,778) held as project reclamation bonds in favor of regulatory authorities. The amount of the deposit is determined at the time the exploration program is planned and a notice of work is submitted to the regulatory authority. If the work is more extensive than previously planned, the amount of the deposit will be increased. When reclamation work is completed on a project to the satisfaction of the regulatory authority, the deposit is released to the Company. The Company also holds project reclamation deposits in the amount $68,172 (December 31, 2021 - $68,172) for other exploration properties.

The Company is party to an option agreement wherein it has a commitment to make option payments of $15,000 cash and issue 50,000 shares per year over the next three years and make exploration expenditures of $75,000 in 2022 if it were to fulfill the option agreement.

**(Expressed in Canadian dollars)**

## 12. Commitments and Contingencies - continued

The Company is committed to incur exploration expenditures of $367,749 (2021 - $nil) by December 31, 2023 to meet renouncement requirements from the issuance of flow-through shares in July 2022.

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification. The Company has included in officers' management contracts a change of control clause that would entitle them to compensation of twenty-four (24) months' salary should such an event occur.

## 13. Financial Instruments

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 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

| **September 30, 2022** | | **Level 1** | | **Level 2** | | **Level 3** | | **Total** |
|---|---|---|---|---|---|---|---|---|
| **Assets:** | | | | | | | | |
| **Cash and cash equivalents** | **$** | **10,301,256** | **$** | **-** | **$** | **-** | **$** | **10,301,256** |
| **Investments** | **$** | **816,418** | **$** | **-** | **$** | **-** | **$** | **816,418** |

| December 31, 2021 | | Level 1 | | Level 2 | | Level 3 | | Total |
|---|---|---|---|---|---|---|---|---|
| Assets: | | | | | | | | |
| Cash and cash equivalents | $ | 5,005,708 | $ | - | $ | - | $ | 5,005,708 |
| Investments | $ | 4,533,864 | $ | - | $ | - | $ | 4,533,864 |

As disclosed in Note 3(c) of the audited financial statements, the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations exposes the Company to concentration risk, credit risk, currency risk, price risk and commodity price risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) <u>Concentration risk</u>
At September 30, 2022 and December 31, 2021, substantially all of the Company's cash was held at three recognized Canadian National financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions. Concentration risk also exists in marketable securities (investments) because the Company's investments are primarily in shares of junior resource companies involved in gold exploration.

b) <u>Credit risk</u>
The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness.

## 13. Financial Instruments - continued

The maximum credit exposure associated with accounts receivable is the carrying value on the condensed consolidated interim statement of financial position.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the counterparty to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

c) Currency risk
Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At September 30, 2022, the Company had cash of $5,357 (December 31, 2021 - $7,348) in US$. The Company is not exposed to significant currency risk.

d) Price risk
The Company’s investments designated as FVTPL are traded on the TSX Venture, TSE and CSE. A 1% change in the cumulative quoted share price would change the fair value of the investments by approximately $8,200 (December 31, 2021 - $45,000). The change would be recorded in the statements of comprehensive income (loss).

e) Commodity price risk
The value of the Company’s mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company’s control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

f) 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’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation. The contractual financial liabilities of the Company as of September 30, 2022 equal $879,530 (December 31, 2021 - $474,043). $865,503 (December 31, 2021 - $440,070) of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of September 30, 2022.

## 14. Supplemental Cash Flow Information

Non-cash investing and financing activities:

(a) Pursuant to certain mineral property option agreements, the Company received 2,750,000 (2021 – 2,300,000) shares with an attributed value of $108,250 (2021 - $340,455).

## 15. Disaggregation of revenue

The Company earns revenue from the performance of one type of service, being geological and exploration services. Further, its customers are exploration companies based in Canada.

## 16. Capital Management

The Company includes cash and cash equivalents and shareholders' equity, comprising of issued common shares, accumulated other comprehensive income (loss), contributed surplus and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods ended September 30, 2022 and 2021. The Company is not subject to externally imposed capital requirements.

## 17. Canada Emergency Wage Subsidy

In response to COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in April 2020. CEWS provides a wage subsidy on eligible remuneration, subject to a maximum per employee, to eligible employers based on meeting certain eligibility criteria. The Company has determined that it has not qualified for this subsidy in the current period.

## 18. Subsequent Events

No subsequent events.

**(Expressed in Canadian dollars)**

**Schedule 1 - Exploration and evaluation assets**

| | December 31 2021 | Acquisition and Exploration | Grants, Option Payments & Mineral Tax Credits | Option proceeds in excess of carrying value | **September 30 2022** |
|---|---|---|---|---|---|
| British Columbia | $198,405 | $1,079,394 | $(188,743) | $82,017 | **$1,171,073** |
| NW Territories | 183 | - | - | - | **183** |
| Saskatchewan | 304,746 | 127,881 | (251,750) | 173,100 | **353,977** |
| Yukon Territory | 2,140 | 922 | - | - | **3,062** |
| | $505,474 | $1,208,197 | $(440,493) | $255,117 | **$1,528,295** |

| | December 31 2020 | Acquisition and Exploration | Grants, Option Payments & Mineral Tax Credits | Option proceeds in excess of carrying value | Write down of mineral properties | **December 31 2021** |
|---|---|---|---|---|---|---|
| British Columbia | $635,955 | $677,315 | $(394,065) | $ 85,000 | $(805,800) | **$198,405** |
| NW Territories | 183 | - | - | - | - | **183** |
| Saskatchewan | 201,362 | 233,597 | (436,982) | 320,000 | (13,231) | **304,746** |
| Yukon Territory | 2,140 | - | - | - | - | **2,140** |
| | $839,640 | $910,912 | $(831,047) | $405,000 | $(819,031) | **$505,474** |

**(Expressed in Canadian dollars)**

**Schedule 2 – Acquisition and exploration additions**

| January – September 2022 | British Columbia | Saskatchewan | Yukon | Total |
|---|---|---|---|---|
| Analytical | $ 10,887 | $ 24,577 | $ - | $ 35,464 |
| Drilling | 449,480 | - | - | 449,480 |
| Environmental & consultations | 575 | 4,479 | - | 5,054 |
| Equipment rental | 64,596 | 5,583 | - | 70,179 |
| Geological and geochemical | 3,462 | 1,072 | - | 4,534 |
| Geophysical | 67,700 | 31,500 | - | 99,200 |
| Labour costs | 140,351 | 24,575 | - | 164,926 |
| Travel & camp | 59,772 | 7,874 | - | 67,646 |
| Transportation | 215,354 | 21,498 | - | 236,852 |
| Tenure & acquisitions | 67,217 | 6,723 | 922 | 74,862 |
| | $1,079,394 | $ 127,881 | $ 922 | $1,208,197 |

| January – December 2021 | British Columbia | Saskatchewan | Total |
|---|---|---|---|
| Analytical | $ 100,335 | $ 2,015 | $ 102,350 |
| Consultations | - | 396 | 396 |
| Drilling | 183,092 | - | 183,092 |
| Equipment rental | 7,207 | 1,970 | 9,177 |
| Geological and geochemical | 12,754 | 820 | 13,574 |
| Geophysical | 94,535 | 120,664 | 215,199 |
| Labour | 158,063 | 31,008 | 189,071 |
| Travel and camp | 62,183 | 12,906 | 75,089 |
| Transportation | 14,021 | 76,059 | 90,080 |
| Tenure & acquisitions | 45,125 | (12,241) | 32,884 |
| | $ 677,315 | $ 233,597 | $ 910,912 |