CANADA CARBON INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED – PREPARED BY MANAGEMENT)
These financial statements have not been reviewed by the Company's auditor.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying condensed interim financial statements of Canada Carbon Inc. for the three and nine months period ended September 30, 2022 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors. Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

CANADA CARBON INC.
UNAUDIED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

As at	**September 30, 2022**	December 31, 2021
ASSETS		
Current		
Cash	**$ 1,419,382**	$ 864,584
Receivables (Note 7)	**4,213**	19,813
Prepaid expenses (Note 8)	**37,787**	10,400
Total current assets	**1,461,382**	894,797
Exploration and evaluation assets (Note 9)	**7,358,223**	7,145,154
Drilling and reclamation deposits (Note 10)	**5,000**	5,000
Total assets	**$ 8,824,605**	$ 8,044,951
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 12)	**$ 650,061**	$ 599,993
Flow through premium liability (Note 16)	**340,266**	211,486
Restoration, rehabilitation and environmental obligations (Note 11)	**10,000**	10,000
Total current liabilities	**1,000,327**	821,479
Restoration, rehabilitation and environmental obligations (Note 11)	**30,000**	30,000
Total liabilities	**1,030,327**	851,479
Shareholders' equity		
Capital stock (Note 13)	**35,612,635**	34,638,199
Reserves	**1,131,663**	879,652
Deficit	**(28,950,020)**	(28,324,379)
Total shareholders' equity	**7,794,278**	7,193,472
Total liabilities and shareholders' equity	**$ 8,824,605**	$ 8,044,951

Nature and continuance of operations (Note 1)
Commitments and contingencies (Notes 9 and 16)

On behalf of the Board:

"Bruce Coventry", Director

"Greg Lipton", Director

See accompanying notes to the financial statements

CANADA CARBON INC.
UNAUDITED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30
(EXPRESSED IN CANADIAN DOLLARS)

	Three months ended September 30, 2022	Three months ended September 30, 2021	**Nine months ended September 30, 2022**	Nine months ended September 30, 2021
EXPENSES				
Management fees (Note 12)	**$ 82,230**	$ 40,250	**$ 243,954**	$ 120,750
Consulting fees	**25,901**	160	**219,056**	160
Professional fees (Note 12)	**31,007**	41,842	**123,508**	178,861
Office, rent and miscellaneous	**8,079**	5,462	**29,154**	19,536
Shareholder communications and promotion	**71,549**	7,091	**149,959**	13,081
Transfer agent and filing fees	**1,635**	2,193	**15,777**	22,984
Travel and accommodation	**16,555**	1,485	**89,575**	2,629
Loss before other items	**236,956**	98,483	**870,983**	357,821
OTHER ITEMS				
Foreign exchange (gain) loss	**(638)**	90	**7,406**	767
Flow-through premium liability recovery	**(11,401)**	(15,944)	**(55,583)**	(15,944)
Net loss and comprehensive loss for the period	**$ 224,917**	$ 82,629	**$ 822,806**	$ 342,644
Basic and diluted net loss per share	**$ 0.00**	$ 0.00	**$ 0.00**	$ 0.00
Weighted average number of shares outstanding basic and diluted	**141,308,995**	125,608,570	**133,382,632**	123,091,665

See accompanying notes to the financial statements

CANADA CARBON INC.
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30
(EXPRESSED IN CANADIAN DOLLARS)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**$ (822,806)**	$ (342,644)
Items not affecting cash:		
Flow-through liability recovery	**(55,583)**	(15,944)
Unrealized foreign exchange loss	**(435)**	28
	(878,824)	(358,560)
Change in non-cash working capital items:		
Decreased (increase) in receivables	**19,047**	(5,587)
Increase in prepaid expenses	**(27,387)**	(7,436)
(decreased) increase in accounts payable and accrued liabilities and flow through premium liability	**(18,247)**	105,340
Net cash flows from operating activities	**(905,411)**	(266,243)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	**(218,397)**	(277,821)
Quebec tax credits received	**7,528**	36,501
Net cash flows from investing activities	**(210,869)**	(241,320)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	**1,684,551**	500,000
Issuance costs	**(13,905)**	(5,505)
Net cash flows by financing activities	**1,670,646**	494,495
Effect of foreign exchange rate changes on cash and cash equivalents	**432**	(28)
Increase (decrease) in cash	**554,798**	(13,096)
Cash, beginning of the period	864,584	564,051
Cash, end of the period	**$ 1,419,382**	$ 550,955

Supplemental disclosure with respect to cash flows (Note 14)

See accompanying notes to the financial statements

CANADA CARBON INC.
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

			Reserves			
	Number of Shares	**Capital Stock**	**Equity settled share-based payments reserve**	**Warrant reserve**	**Deficit**	**Total**
Balance December 31, 2020	**120,669,074**	**$ 33,587,224**	**$ 348,991**	**$ 458,056**	**$ (27,761,170)**	**$ 6,633,101**
Issued pursuant to settlement of debt	2,155,558	409,556	-	-	-	409,556
Issued pursuant to private placement	2,941,176	352,940	-	-	-	352,940
Issued pursuant to surface access agreement	40,000	4,000	-	-	-	4,000
Issue costs	-	(5,505)	-	-	-	(5,505)
Net loss and comprehensive loss for the nine months period	-	-	-	-	(342,644)	(342,644)
Balance September 30, 2021	125,805,808	34,348,215	348,991	458,056	(28,103,814)	7,051,448
Issued pursuant to private placement	3,478,260	547,060	-	-	-	547,060
Flow through premium liability	-	(251,407)	-	-	-	(251,407)
Value of expired options	-	-	(80,701)	-	80,701	-
Value of expired warrants	-	-	-	(44,794)	44,794	-
Shares-based compensation	-	-	198,100	-	-	198,100
Issue costs	-	(5,669)	-	-	-	(5,669)
Net loss and comprehensive loss for the three months period	-	-	-	-	(346,060)	(346,060)
Balance December 31, 2021	**129,284,068**	**34,638,199**	**466,390**	**413,262**	**(28,324,379)**	**7,193,472**
Units issued pursuant to private placement	25,173,300	1,255,061	-	432,937	-	1,687,998
Flow through premium liability	-	(184,365)	-	-	-	(184,365)
Issue costs	-	(98,460)	-	16,239	-	(82,221)
Issued pursuant to surface access agreement	40,000	2,200	-	-	-	2,200
Value of expired warrants	-	-	-	(197,165)	197,165	-
Net loss and comprehensive loss for the nine months period	-	-	-	-	(822,806)	(822,806)
Balance, September 30, 2022	**154,497,368**	**$ 35,612,635**	**$ 466,390**	**$ 665,273**	**$ (28,950,020)**	**$ 7,794,279**

See accompanying notes to the financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Canada Carbon Inc. (hereafter the "Company") was incorporated in British Columbia on August 13, 1985 and is listed on the TSX Venture Exchange ("TSX-V").

The Company's principal business is the acquisition, exploration and evaluation of mineral properties. In fiscal 2012 the Company positioned itself as a carbon science company focused on graphite. The Company is in the exploration and evaluation stage on its projects and as such, to date, has not generated significant revenues from its operations.

The Company's head office is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1.

The financial statements were approved by the Board of Directors on November 29 2022.

The Company is in the process of exploring its exploration and evaluation assets. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, the achievement of profitable production, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, quarantine periods and social distancing, have caused material disruption to businesses and supply chains globally. Global equity markets have experienced significant volatility. Despite the easing of travel restrictions and improvements in the global economy, the duration of the pandemic and its impact on the Company in future periods cannot be reliably estimated. The Company continues to monitor the business environment to ensure minimal disruption to business operations and continues to operate all aspects of its business as intended as of the current date.

These financial statements have been prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at September 30, 2022, the Company had a working capital of $451,055 and an accumulated deficit of $29,147,185 compared to a working capital of $73,318 and an accumulated deficit of $28,324,379 as at December 31, 2021. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations. Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes.

3. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments recorded at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

In the preparation of these condensed interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the year. Actual results could differ from these estimates.

4. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2021 and were prepared using the same accounting policies, method of computation and presentation as were applied in the annual financial statements for the year ended December 31, 2021.

5. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of its 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. Management considers the Company’s capital structure to primarily consist of the components of shareholders’ equity.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts 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 three and nine months ended September 30, 2022. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange (“TSXV”) which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As at September 30, 2022, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

6. FINANCIAL RISK FACTORS

There have been no significant changes in the risks, objectives, policies and procedures during the three and nine months ended September 30, 2022. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The receivables primarily relate to sales tax due from the Federal and Provincial Governments. The Company has no significant concentration of credit risk arising from operations. Cash is held at a Canadian financial institution from which management believes the risk of loss to be low. Management believes that the credit risk concentration with respect to its receivables is remote.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Additional funding will be required to get the Miller project through the feasibility stage; however, management believes it will be able to obtain the necessary funding.

Market risk
(a) Interest rate risk
The Company has cash balances and no interest-bearing debt, therefore, interest rate risk is minimal.

(b) Foreign currency risk
The majority of the Company’s administrative expenditures are transacted in Canadian dollars. The Company funds certain expenses in the United States on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. Management does not hedge its foreign exchange risk. The Company holds negligible cash balances in US dollars.

(c) Price risk
The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

(d) Title risk
Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Sensitivity analysis
Based on management's knowledge and experience of the financial markets, the Company does not expect material movements in the underlying market risk variables.

(EXPRESSED IN CANADIAN DOLLARS)

7. RECEIVABLES

The receivables balance is comprised of the following items:

	September 30, 2022	*December 31, 2021*
Sales tax due from federal and provincial governments	**$ -**	$ 19,813
Subscription receivable	**4,213**	-
Total	**$ 4,213**	$ 19,813

8. PREPAID EXPENSES

The prepaid expense balance is comprised of the following items:

	September 30, 2022	*December 31, 2021*
Insurance	**$ 17,787**	$ 10,400
Investor information/promotion	**20,000**	-
Total	**$ 37,787**	$ 10,400

9. EXPLORATION AND EVALUATION ASSETS

At September 30, 2022, expenditures incurred on exploration and evaluation assets were as follows:

	Asbury Graphite Property, Quebec	**Miller Property, Quebec**	**September 30, 2022**
Acquisition costs:			
Balance, beginning of period	**$ 656,582**	**$ 399,414**	**$ 1,055,996**
Additions during the period	**-**	**2,200**	**2,200**
Balance, end of period	**656,582**	**401,614**	**1,058,196**
Deferred exploration costs:			
Balance, beginning of period	**602,436**	**5,486,721**	**6,089,157**
Assays	**-**	**139,533**	**139,533**
Geologists, consultants and other labour	**-**	**55,182**	**55,182**
Field supplies and equipment rental	**-**	**7,592**	**7,592**
Travel, meals and accommodation	**-**	**14,191**	**14,191**
Tax credit	**-**	**(7,528)**	**(7,528)**
Admin and other expenses	**-**	**1,900**	**1,900**
Additions during the period	**-**	**210,870**	**210,870**
Balance, end of period	**602,436**	**5,697,591**	**6,300,027**
Total exploration and evaluation assets	**$ 1,259,018**	**$ 6,099,205**	**$ 7,358,223**

(EXPRESSED IN CANADIAN DOLLARS)

9. EXPLORATION AND EVALUATION ASSETS (continued)

At December 31, 2021, expenditures incurred on exploration and evaluation assets were as follows:

	Asbury Graphite Property, Quebec	Miller Property, Quebec	December 31, 2021
Acquisition costs:			
Balance, beginning of year	$ 654,379	$ 395,414	$ 1,049,793
Additions during the year	2,203	4,000	6,203
Balance, end of year	656,582	399,414	1,055,996
Deferred exploration costs:			
Balance, beginning of year	554,509	5,215,571	5,770,080
Assays	-	9,822	9,822
Community consultations	-	110,370	110,370
Geologists, consultants and other labour	33,743	123,665	157,408
Surveys and studies	-	9,358	9,358
Thermal processing	-	16,862	16,862
Field supplies and equipment rental	2,570	7,384	9,954
Travel, meals and accommodation	10,831	9,524	20,355
Admin and other expenses	784	(15,835)	(15,051)
Additions during the year	47,928	271,150	319,078
Balance, end of year	602,437	5,486,721	6,089,158
Total exploration and evaluation assets	$ 1,259,019	$ 5,886,135	$ 7,145,154

Miller Property, Quebec, Canada

The Company acquired the property in 2013. Certain claims are subject to net production and net smelter royalties between 1.5% and 2%. Certain of these royalties can be reduced to 1% at any time through the Company making payments of $1,000,000.

In September 2013, the Company entered into a surface access rights agreement ("Agreement") with two landholders with respect to the Miller graphite property. The Agreement provided the Company with surface access for an initial of five years and allowed the Company to carry out regular graphite prospecting and exploration programs on the property. The Agreement granted the Company an exclusive and irrevocable option ("Option") to acquire or lease all or part of the property necessary for the extraction of mineral substances. If the Company exercised the Option prior to the expiry of the five-year term, the term of the Agreement would extend through the period of commercial production. Pursuant to the Agreement, the Company would issue 40,000 shares to the landholders for the first year, and for every subsequent year until commercial production, or pay $5,000 cash at the option of the landholder. If the Company began commercial production, the annual payments would cease and the landholders will be entitled to a 2.5% production royalty.

During 2018, the initial Agreement expired and a new surface access agreement (“New Agreement”), with the same terms as the original Agreement, was signed. Pursuant to the terms of the New Agreement, the Company issued 40,000 shares valued at $5,600 in December 2018, 40,000 common shares valued at $2,000 in September 2019 and 40,000 common shares valued at $10,400 in October 2020, 40,000 common shares valued at $4,000 in September 2021 and 40,000 common shares value at $2,200 in May 2022. For each subsequent year, the Company is required to issue an additional 40,000 common shares or pay $3,800 in cash until commercial production commences.

(EXPRESSED IN CANADIAN DOLLARS)

9. EXPLORATION AND EVALUATION ASSETS (continued)

Asbury Graphite Property, Quebec, Canada
In 2012, the Company acquired claims subject to a net production royalty of 0.75% for a period of 10 years after the start of graphite production.

During 2021, the Company acquired additional claims surrounding its existing claims on the former Asbury Mine.

Rare Earth Claims, British Columbia, Canada
In March 2010, the Company entered into an acquisition agreement to acquire a 100% interest in the Carbonatite Syndicate Rare Earth Claim Group. The Company obtained a $5,000 reclamation bond in relation to the drilling permits for the Rare Earth property. All the mining claims have expired and the capitalized costs were written off in prior years. See notes 10 and 11.

During the three and nine months period ended September 30, 2022, the Company received Quebec tax credits in the amount of $nil and $7,528 (Three and nine months period ended September 30, 2021 - $nil and $36,501) which were recorded as an offset against exploration and evaluation assets.

10. DRILLING AND RECLAMATION DEPOSITS

The following table details the outstanding drilling and reclamation deposits:

Property	***September 30, 2022***	*December 31, 2021*
Rare Earth (Note 11)	**$ 5,000**	$ 5,000
Total	**$ 5,000**	$ 5,000

11. RESTORATION, REHABILITATION AND ENVIRONMENTAL OBLIGATIONS

In 2020, the Company has recorded an obligation of $10,000 for the Rare Earth property. The restoration costs are expected to be incurred in 2022. See note 9. The Company has also recorded an obligation of $30,000 for the Miller graphite property to reclaim disturbance caused by the work programs. The restoration costs are expected to be incurred in 2042.

The following is an analysis of the restoration, rehabilitation and environmental obligations:

Balance, December 31, 2020 and 2021	$ 40,000
Additions	-
Balance, September 30, 2022	$ 40,000

12. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them. The Company entered into the following transactions with related parties:

			Nine Months Ended September 30,	
	Nature of transactions	Notes	**2022**	2021
Directors	Management	a	**$ 27,000**	$ 27,000
Ellerton Castor	Management	b	**$ 216,954**	$ -
Olga Nikitovic	Management/Professional fees	c	**$ -**	$ 187,500
Marrelli Support Services Inc.	Management/CFO	d	**$ 11,250**	$ -
Aird & Berlis	Professional fees	e	**$ 49,417**	$ 8,808

(EXPRESSED IN CANADIAN DOLLARS)

12. RELATED PARTY TRANSACTIONS (continued)

a) During the nine months ended September 30, 2022, the Company accrued fees for independent directors of $27,000 (nine months ended September 30, 2021 - $27,000) included in management fees. As at September 30, 2022, $97,000 (December 31, 2021 - $70,000) was included in accounts payable and accrued liabilities.

b) Mr. Castor assumed the role of CEO in December 2021. During the nine months ended September 30, 2022 $216,954 are included in professional fees (nine months ended September 30, 2021 - $nil). As at September 30, 2022, $nil (December 31, 2021 - $10,459) was included in accounts payable and accrued liabilities.

c) Ms. Nikitovic assumed the role of interim CEO in November 2020 in addition to her CFO role until December 2021. Her salary is split between management fees and professional fees effective December 1, 2020. As at September 30, 2022, $390,967 (December 31, 2021 - $386,967) was included in accounts payable and accrued liabilities.

d) During the nine months ended September 30, 2022, the Company paid CFO professional fees and disbursements of $11,250 to Marrelli Support Services Inc. (nine months ended September 30, 2021 - $nil). As at September 30, 2022, $2,885 (December 31, 2021 - $nil) was included in accounts payable and accrued liabilities.

e) Tom Fenton, Corporate Secretary for the Company is a partner with Aird & Berlis, LLP. Legal fees of $49,417 (nine months ended September 30, 2021 - $6,553) are included in professional fees. As at September 30, 2022, $15,796 (December 31, 2021 - $8,147) was included in accounts payable and accrued liabilities.

All related party amounts included in accounts payable are unsecured, non-interest bearing and payable on demand.

Compensation of key management personnel

		Nine months ended September 30	
	Notes	**2022**	2021
Directors, management/professional fees	a	**$ 255,204**	$ 214,500
		$ 255,204	$ 214,500

a) The Company does not pay any health or post-employment benefits. The salaries represent the fees for the CEO, CFO and directors which are included in the transactions above.

13. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS

Capital Stock

The Company has authorized an unlimited number of common shares without par value. As at September 30, 2022, the Company had 154,497,368 common shares outstanding (December 31, 2021 – 129,284,068).

i) In March 2021, 2,155,558 common shares valued at $409,556 based on the quoted price of shares at the time of issue, were issued to the estate of R. Bruce Duncan for amounts owing at the time of his passing.

ii) In July 2021, the Company closed a non-brokered flow-through private placement in which it issued 2,941,176 flow-through shares for gross proceeds for approximately $500,000.

iii) On September 24, 2021, the Company issued 40,000 shares valued at $4,000 pursuant to the Surface Access Agreement for the Miller Property

(EXPRESSED IN CANADIAN DOLLARS)

13. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS (continued)

Capital Stock

iv) In April 2022 and May 2022, the Company closed a non-brokered private placement in which it issued 11,640,000 and 200,000 units (the "Unit") at a price of $0.075 were issued for aggregate gross proceeds of $888,000 of which $386,468 was allocated to warrants. Each Unit is comprised of one common share and one share purchase warrant (the "Warrant"). Each Warrant entitles the holder to acquire on common share at a price of $0.09375 for a period of 60 months from the date of issuance. The Company paid finder fees in cash of $13,905 and the issuance of 185,400 broker warrant (the "Broker Warrant") value at $6,363. Each Broker Warrant entitles the holder to acquire one common share at a price of $0.09375 for a period of 36 months. As of September 30, 2022, there is $4,213 subscription receivable outstanding for the 200,000 Unit valued at $15,000 (See note 7).

v) In May 2022, the Company issued 40,000 common shares valued at $2,200 based on the quoted price of the shares at the time of issued, pursuant to the Miller Project Surface Access Agreement.

vi) In September 2022, the Company closed a non-brokered private placement in which it issued 13,333,300 units (the "Unit") at a price of $0.06 were issued for aggregate gross proceeds of $799,998 of which $82,301was allocated to warrants. Each Unit is comprised of one common share and one share purchase warrant (the "Warrant"). Each Warrant entitles the holder to acquire on common share at a price of $0.10 for a period of 24 months from the date of issuance. The Company accrued finder fees paid in cash of $68,316 and the issuance of 799,998 broker warrant (the "Broker Warrant") value at $9,876. Each Broker Warrant entitles the holder to acquire one common share at a price of $0.10 for a period of 24 months.

Share Purchase Warrants

At September 30, 2022, the following warrants were outstanding.

Expiry Date	Exercise Price $	Number of Warrants	Remaining contractual life (years)
November 3, 2023	0.26	2,000,000	1.09
November 4, 2023	0.26	500,000	1.10
September 29, 2024	0.10	6,666,650	2.00
September 29, 2024	0.10	799,998	2.00
April 28, 2025	0.09	185,400	2.58
April 28, 2027	0.08	11,640,000	4.58
May 27, 2027	0.08	200,000	4.66
		21,992,048	3.29

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of warrants and broker warrants issued during the nine months ended September 30, 2022:

	Warrants	Broker Warrants
Share price	$0.06 - $0.10	$0.06 - $0.10
Risk-free interest rate	2.66% - 3.79%	2.58%- 3.79%
Expected dividend yield	0.00%	0.00%
Expected stock volatility	97.77%-115.47%	97.77% -105.80%
Expected life in years	2.0 – 5.0 years	2.0 -3.0 years

(EXPRESSED IN CANADIAN DOLLARS)

The following is a summary of the warrant and broker warrants transactions for the nine months ended September 30, 2022, and year ended December 31, 2021.

	Nine months ended September 30, 2022		**Year ended December 31, 2021**	
	Number of Warrants	**Weighted Average Exercise Price $**	**Number of Warrants**	**Weighted Average Exercise Price $**
Balance, beginning of period	**9,980,000**	**0.27**	11,380,000	0.25
Warrant/broker warrant granted	**19,492,048**	**0.94**	-	-
Warrants expired	**(7,480,000)**	**0.30**	(1,400,000)	0.18
Balance, end of period	**21,992,048**	**0.20**	9,980,000	0.27

Stock options

The Company is authorized to grant to directors, employees and consultants up to 20% of the issued and outstanding capital stock of the Company. Under the plan, the exercise price of each option equals the market price, less any applicable discounts of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

As at September 30, 2022, the following incentive stock options were outstanding:

		Options Outstanding		Options Exercisable	
Expiry Date	Exercise Price $	Number of Options Outstanding	Weighted average remaining contractual life (years)	Number of Options Vested	Weighted average remaining contractual life (years)
June 8, 2023	0.10	350,000	0.69	350,000	0.69
November 12, 2023	0.15	100,000	1.12	100,000	1.12
July 18, 2024	0.10	1,000,000	1.80	1,000,000	1.80
December 18, 2026	0.10	2,759,000	4.23	2,759,000	4.23
		4,209,000	3.28	4,209,000	3.28

The following is a summary of stock option transactions for the nine months ended September 30, 2022, and for the year ended December 31, 2021.

	Nine months ended September 30, 2022		**Year ended December 31, 2021**	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Balance, beginning of period	**5,909,000**	**0.14**	4,050,000	0.15
Options granted	**-**	**-**	2,759,000	0.01
Options expired (forfeited)	**(1,700,000)**	**0.19**	(900,000)	0.14
Balance end of period	**4,209,000**	**0.11**	5,909,000	0.14

(EXPRESSED IN CANADIAN DOLLARS)

13. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS (continued)

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of options issued during the year ended December 31, 2021. No options were issued during the nine months ended September 30, 2022.

	2021
Share price	$0.085
Risk-free interest rate	1.25%
Expected dividend yield	0.00%
Expected stock volatility	126%
Expected life in years	5.0 years

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions for the nine months ended September 30, 2022 consisted of:

a) The issuance of 40,000 common shares of the Company valued at $2,200 pursuant to the Surface Access Agreement with respect to the Miller Project property.
b) Subscription receivable included in receivable of $3,447.
c) Issuance costs included in accounts payable and accrued liabilities of $68,315

Significant non-cash investing and financing transactions for the nine months ended September 30, 2021 consisted of:

a) An increase in accrued exploration and evaluation assets of $12,020.
b) The issuance of shares to settle debt of $409,556.
c) The issuance of 40,000 common shares of the Company valued at $4,000 pursuant to the Surface Access Agreement with respect to the Miller Project property.

15. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts.

16. COMMITMENTS AND CONTINGENCIES

The Company is obliged to spend $900,000 by December 31, 2022 and 799,998 by December 31, 2023 as part of the flow-through funding agreement for shares issued in July, October 2021 and September 2022. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

As of September 30, 2022, the Company has fulfilled approximately $366,098 of the total commitment. For the three and nine months ended September 30, 2022, the Company has recorded amortization of flow-through premium liability of $11,401 and $55,583 (three and nine months ended September 30, 2021 - $15,944 and $15,944) in the statements of loss and comprehensive loss.

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. See note 11.

16. COMMITMENTS AND CONTINGENCIES (continued)

Marrelli Service Support Inc. - CFO and service consulting agreement
The Company is obligated to pay a termination notice for consulting service of $3,750 for 24 months from the effective date of the termination notice, if the termination notice is provided within the first two calendar years.

Executive compensation
The Company entered into employment agreement with it senior executive which contain clauses requiring additional payments to be made upon the occurrence of certain events such as change of control, as well as termination commitment of USD$250,000. As the triggering event has not occurred, the contingent payment has not been provided for in these financial statements.