TREASURY METALS Inc.

2022

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2022 AND 2021

(Expressed in Canadian dollars) (Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying interim condensed consolidated financial statements of Treasury Metals Inc.("Treasury Metals" or the "Company") were prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The most significant of these standards have been set out in Note 2 of the annual consolidated financial statements of the Company as at and for the year ended December 31, 2021. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

The Board of Directors of the Company is responsible for ensuring management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other financial information. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the period end financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate control over its financial reporting. Management conducted an evaluation of the effectiveness of internal control over financial reporting based on "Internal Control Over Financial Reporting Guidance for Smaller Public Companies" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as at September 30, 2022.

CONCLUSION RELATING TO DISCLOSURE CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as defined in Canadian National Instrument 52-109. Certification of Disclosure in Issuers' Annual and Interim Filings. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of the Company's disclosure and controls and procedures were effective as at September 30, 2022.

NOTICE TO READER

Under Canadian National Instrument 51-102: Continuous Disclosure Obligations, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the financial statements; they must by accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying interim condensed consolidated 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 interim condensed consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an auditor.

TREASURY METALS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed In Canadian Dollars)

($)	September 30 2022	December 31 2021
Assets		
Current assets		
Cash and cash equivalents (Note 4)	**20,101,604**	10,090,415
Accounts receivable and prepaid expenses (Note 5)	**930,079**	1,126,862
Investments (Note 6)	**503,419**	693,825
Total current assets	**21,535,102**	11,911,102
Non-current assets		
Property and equipment (Note 7)	**2,846,097**	2,556,660
Mineral properties and related deferred costs (Note 8)	**185,118,757**	188,132,850
Total non-current assets	**187,964,854**	190,689,510
Total assets	**209,499,956**	202,600,612
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	**946,920**	1,723,673
Current portion of long-term debt (Note 10)	**6,683,837**	–
Current portion of SRSR payment obligation (Note 11)	**1,708,037**	–
Derivative liability (Note 10)	**6,703**	710,032
Flow-through premium (Note 12)	**36,909**	1,561,508
Total current liabilities	**9,382,406**	3,995,213
Non-current liabilities		
Long-term debt (Note 10)	**278,680**	5,409,515
SRSR payment obligation (Note 11)	**10,115,554**	–
Deferred tax liability	**1,783,970**	2,233,000
Total non-current liabilities	**12,178,204**	7,642,515
Total liabilities	**21,560,610**	11,637,728
Shareholders' Equity		
Capital stock (Note 12)	**209,589,233**	209,453,412
Contributed surplus	**25,840,101**	24,598,080
Deficit	**(46,303,934)**	(42,092,961)
Accumulated other comprehensive loss	**(1,186,054)**	(995,647)
	187,939,346	190,962,884
Total liabilities and shareholders' equity	**209,499,956**	202,600,612

Nature of Operations and Going Concern (Note 1)
Commitments and Contractual Obligations and Contingencies (Note 18)

SIGNED ON BEHALF OF THE BOARD

(Signed) *"Margot Naudie"* Director   (Signed) *"David Whittle"* Director

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

TREASURY METALS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited – 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				
Administrative, office and shareholder services	**323,911**	268,804	**977,986**	997,288
Professional fees	**39,808**	164,233	**181,583**	297,022
Salary and benefits	**460,818**	316,875	**1,661,819**	1,096,280
Amortization	**17,225**	–	**50,899**	–
Share-based payments (Note 15)	**211,517**	104,037	**1,152,146**	661,765
Accretion of long-term debt (Note 10)	**91,800**	75,805	**257,787**	221,238
Finance expense	**171,525**	123,464	**438,339**	361,773
Foreign exchange loss (gain)	**979,386**	143,077	**1,279,136**	14,409
Loss on debt extinguishment	–	–	**–**	47,097
Gain on debt and derivative liability (Note 10)	**(63,004)**	(673,479)	**(703,329)**	(2,929,400)
Write-down of mineral properties (Note 8)	–	–	**888,236**	–
Loss before income tax	**(2,232,986)**	(522,816)	**(6,184,602)**	(767,472)
Deferred income tax recovery	**352,654**	–	**1,973,629**	–
Net Loss for the period	**(1,880,332)**	(522,816)	**(4,210,973)**	(767,472)
Loss per share - basic and diluted	**(0.01)**	0.00	**(0.03)**	(0.01)
Weighted average number of shares outstanding	**138,148,775**	130,186,424	**138,019,006**	121,743,581

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

TREASURY METALS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE LOSS
(Unaudited - Expressed In Canadian Dollars)

	Three Months Ended		Nine Months Ended	
($)	**September 30 2022**	September 30 2021	**September 30 2022**	September 30 2021
Net loss for the period	**(1,880,332)**	(522,816)	**(4,210,973)**	(767,472)
Other comprehensive income (loss)				
Fair value on equity investments, net of taxes	**(164,383)**	(133,563)	**(190,407)**	(660,260)
Other comprehensive income (loss) for the period	**(164,383)**	(133,563)	**(190,407)**	(660,260)
Total comprehensive loss for the period	**(2,044,715)**	(656,379)	**(4,401,380)**	(1,427,732)

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

TREASURY METALS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed In Canadian Dollars)

($)	Common Shares	Capital Stock	Special Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
Balance, January 1, 2021	**112,621,146**	**187,969,705**	**–**	**23,655,291**	**(38,342,602)**	**(229,657)**	**173,052,737**
Net cash from special warrants issuance (Note 13)	–	–	16,470,588	–	–	–	16,470,588
Stock options exercised (Note 12)	100,000	90,000	–	–	–	–	90,000
Fair value of stock options exercised (Note 12)	–	34,200	–	(34,200)	–	–	–
Warrants exercised (Notes 12 and 14)	13,699	14,795	–	–	–	–	14,795
Fair value of warrants exercised (Note 12)	–	11,591	–	(11,591)	–	–	–
Flow-through share premium (Note 12)	–	(1,023,000)	–	–	–	–	(1,023,000)
Rounding adjustment (Note 12)	(61)	–	–	–	–	–	–
Share issue costs (Note 12)	–	(1,213,714)	1,131,412	–	–	–	(82,302)
Share-based payments - compensation (Note 15)	–	–	–	891,328	–	–	891,328
Exercise of non-flow-through Special Warrants (Notes 12 and13)	10,631,579	10,100,000	(10,100,000)	–	–	–	–
Exercise of flow-through Special Warrants (Notes 12 and 13)	6,820,000	7,502,000	(7,502,000)	–	–	–	–
Net income for the period	–	–	–	–	(767,472)		(767,472)
Other comprehensive (loss) for the period	–	–	–	–	–	(660,260)	(660,260)
Balance, September 30, 2021	**130,186,363**	**203,485,577**	**–**	**24,500,828**	**(39,110,074)**	**(889,917)**	**187,986,414**
Flow-through shares issued for cash in private placement (Note 12)	7,692,971	6,539,025	–	–	–	–	6,539,025
Share issue costs (Note 12)	–	(32,682)	–	–	–	–	(32,682)
Flow-through share premium (Note 12)	–	(538,508)	–	–	–	–	(538,508)
Share-based payments - compensation (Note 15)	–	–	–	97,252	–	–	97,252
Net income (loss) for the period	–	–	–	–	(2,982,887)	–	(2,982,887)
Other comprehensive (loss) for the period	–	–	–	–	–	(105,730)	(105,730)
Balance, December 31, 2021	**137,879,334**	**209,453,412**	**–**	**24,598,080**	**(42,092,961)**	**(995,647)**	**190,962,884**
Share-based payments - compensation (Note 15)	–	–	–	740,434	–	–	740,434
Share-based payments - restricted share units (Note 15)	–	–	–	637,408	–	–	637,408
Restricted share units redeemed (Note 15)	269,441	135,821	–	(135,821)	–	–	–
Net income (loss) for the period	–	–	–	–	(4,210,973)	–	(4,210,973)
Other comprehensive income (loss) for the period	–	–	–	–	–	(190,407)	(190,407)
Balance, September 30, 2022	**138,148,775**	**209,589,233**	**–**	**25,840,101**	**(46,303,934)**	**(1,186,054)**	**(187,939,346)**

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

TREASURY METALS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
($)	**September 30 2022**	September 30 2021	**September 30 2022**	September 30 2021
Cash and cash equivalents (used in) provided by:				
Operating Activities				
Net Loss for the period	**(1,880,332)**	(522,816)	**(4,210,973)**	(767,472)
Adjustments for:				
Amortization	**17,225**	–	**50,899**	–
Deferred income tax recovery	**(352,654)**	–	**(1,973,629)**	–
Share-based payments (Note 15)	**211,517**	104,037	**1,152,146**	661,765
Accretion on long-term debt (Note 10)	**91,800**	75,805	**257,787**	221,238
Loss (gain) on debt extinguishment (Note 10)	–	–	**–**	47,097
Loss (gain) on debt and derivative liability (Note 10)	**(63,004)**	(673,479)	**(703,329)**	(2,929,400)
Foreign exchange (gain) loss	**586,383**	137,498	**884,098**	11,055
Write-down of mineral properties	**–**	–	**888,236**	–
Net change in non-cash working capital items:				
Accounts receivable and prepaid expenses	**939,209**	(787,216)	**196,783**	(596,186)
Accounts payable and accrued liabilities	**756,185**	1,531,741	**(157,026)**	2,134,747
Net cash flows used in operating activities	**306,329**	(134,430)	**(3,615,008)**	(1,217,156)
Financing Activities				
Cash received from special warrants issued, net of costs (Note 13)	**–**	23,008	**–**	16,388,286
Proceeds from the exercise of options	**–**	–	**–**	90,000
Proceeds from the exercise of warrants	**–**	–	**–**	14,795
Capitalized interest on short-term debt	**165,225**	123,061	**426,683**	200,475
Payment of lease liabilities	**(30,211)**	789	**(74,274)**	(3,642)
Repayment of SRSR obligation	**(650,000)**	–	**(650,000)**	–
Net cash flows provided by (used in) financing activities	**(514,986)**	146,858	**297,591**	16,689,914
Investing Activities				
Acquisition of property and equipment	**–**	(81,808)	**(21,443)**	(120,506)
Acquisition of mineral properties and related deferred costs	**(3,411,664)**	(4,695,030)	**(11,232,769)**	(9,915,118)
Proceeds from sale of royalty	**–**	–	**25,178,000**	–
Net cash flows provided by (used in) investing activities	**(3,411,664)**	(4,776,838)	**13,923,788**	(10,035,624)
Increase (decrease) in cash and cash equivalents	**(3,620,320)**	(4,764,410)	**10,011,189**	5,437,134
Cash and cash equivalents, beginning of period	**23,721,924**	14,638,889	**10,090,415**	4,437,345
Cash and cash equivalents, end of period	**20,101,604**	9,874,479	**20,101,604**	9,874,479
Supplementary cash flow information				
Changes in non-cash activities:				
Capitalized interest on long-term debt (Note 10)	**165,225**	–	**426,683**	–
Share-based payments capitalized to mineral properties and related deferred costs (Note 15)	**154,119**	76,652	**225,696**	229,563
Amortization charged to property and equipment (Note 7)	**42,807**	28,379	**124,335**	85,137

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Treasury Metals Inc. (the "Company" or "Treasury Metals") is incorporated under the laws of Ontario and listed on the Toronto Stock Exchange under the symbol "TML". The address of the Company's registered office is 15 Toronto Street, Suite 401, Toronto, Ontario, Canada M5C 2E3. The mineral properties of Treasury Metals are all located in Canada, are in the exploration stage and, based on information to date, do not yet have economically recoverable reserves. The recoverability of the amounts shown on the interim condensed consolidated statements of financial position for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, maintaining beneficial interest in its properties and the underlying mining claims, obtaining the necessary regulatory approvals and permits, the ability to obtain the necessary financing to fulfill its obligations as they arise, the ability to complete the development of the claims, and achieving profitable production or the proceeds from the disposition of the properties. The Company's success depends on the successful development of the properties and corresponding permitting and feasibility study. Based upon its current operating and financial plans, management of the Company believes that it will have sufficient access to financial resources (debt and equity) to fund the Company's planned operations and development of the Goliath Gold Complex.

The interim condensed consolidated financial statements were prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has not generated revenue from operations. On September 30, 2022, the Company's working capital is $12,196,308 (December 31, 2021 – $10,187,429) excluding the flow–through share premium liability and the derivative liability. For the period ended September 30, 2022, the Company incurred a net loss of $4,210,973 (2021 –net loss of $767,472), has cash outflows from operations of $3,615,011 (2021 - $1,217,156), has not yet achieved profitable operations, had accumulated losses of $46,303,934 (December 31, 2021 – $42,092,961) and expects to incur further losses in the development of its business. Should the Company be unable to raise sufficient financing to maintain operations, the Company may be unable to realize the carrying value of its net assets. These uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

These interim condensed consolidated financial statements do not reflect the ajustments to carrying amounts of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (”IAS 34”), as issued by the International Accounting Standards board (“IASB”). These interim condensed consolidated financial statements do not contain all the required annual disclosures and should be read in conjunction with the annual consolidated financial statements of the Company as at and for the year ended December 31, 2021.

The interim condensed consolidated financial statements have been prepared on a historical cost basis except for financial instruments, as set out in the accounting policies in note 2 of the 2021 annual consolidated financial statements.

These interim condensed consolidated financial statements were approved by the Company’s Board of Directors on November 8, 2022.

2. BASIS OF PRESENTATION (cont'd)

(b) Basis of Consolidation

These interim condensed consolidated financial statements include the financial statements of the Company and its wholly-owned Canadian subsidiary Goldeye Explorations Ltd. On March 2021, Treasury Metals Inc., Tamaka Gold Corp., and Goldlund Resources Inc. were amalgamated.

A subsidiary is an entity controlled by the Company. The Company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the interim condensed consolidated financial statements from the date that control commences until the date that control ceases.

(c) Functional and presentation currency

These interim condensed consolidated financial statements are presented in Canadian dollars which is also the functional currency of the Company and its wholly owned Canadian subsidiary.

(d) Use of estimates and judgments

The preparation of these interim condensed consolidated financial statements in conformity with IFRS requires judgments and estimates that affect the amounts reported. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended December 31, 2021, except as noted below.

(i) ***Sale of Royalty to Sprott Resource Streaming and Royalty Corp***

Management must use its judgment to assess the appropriate accounting treatment for the sale of royalty to Sprott Resource Streaming and Royalty Corp (Note 8 and Note 11) and the allocation of the proceeds between the mining properties disposed and the financial liability on the minimum payment obligation. The Company reviewed the specific terms of the agreement to determine whether it had disposed of an interest in the reserves and resources of the properties and the valuation of the financial liability. The assessment considered the rights attributed to the consideration and the risks and rewards associated with it over the life of the transaction.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

(a) Standards and amendments issued but not yet effective or adopted

IAS 12, Income Taxes. The IASB issued an amendment to IAS 12, Income Taxes to narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. Instead, a deferred tax asset and a deferred tax liability will need to be recognized for temporary differences arising on initial recognition of certain transactions, such as leases and decommissioning provisions. The amendment is effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. An assessment will be performed prior to the effective date of January 1, 2023, to determine the impact to the Company's financial statements.

(Unaudited – Expressed in Canadian Dollars)

3. ADOPTION OF NEW ACCOUNTING STANDARDS (cont'd)

IAS 1, Presentation of Financial Statements. The IASB issued an amendment to IAS 1, Presentation of Financial Statements to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendment includes: (i) specifying that an entity's

right to defer settlement must exist at the end of the reporting period; (ii) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (iii) clarifying how lending conditions affect classification; and (iv) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. An assessment will be performed prior to the effective date of January 1, 2023, to determine the impact to the Company's financial statements.

4. CASH AND CASH EQUIVALENTS

($)	**September 30 2022**	December 31 2021
Cash	**8,733,046**	10,003,610
Cashable GIC	**11,361,753**	80,000
Funds in trust	**6,805**	6,805
	20,101,604	10,090,415

5. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

($)	**September 30 2022**	December 31 2021
Advances to consultants	**273,459**	438,224
Prepaid expenses and other advances	**283,632**	202,991
Harmonized sales tax	**372,988**	485,647
	930,079	1,126,862

6. INVESTMENTS

The Company's investments are classified as fair value through other comprehensive income ("FVTOCI") and are carried at fair value.

	Number of Shares	**September 30 2022**	Number of Shares	December 31 2021
		($)		($)
Millrock Resources Inc. – Shares	147,778	8,419	147,778	7,388
Platinex Inc. – Shares	16,500,000	495,000	16,500,000	660,000
Platinex Inc. - Consideration Warrants (i)	–	–	2,000,000	22,778
Platinex Inc. - Secondary Warrants (i)	–	–	3,000,000	3,659
		503,419		693,825

(i) On July 15, 2022, the 2,000,000 Consideration Warrants and 3,000,000 Secondary Warrants expired.

(Unaudited – Expressed in Canadian Dollars)

7. PROPERTY AND EQUIPMENT

($)	Land	Buildings(i)	Furniture and Equipment	Vehicles(ii)	**Total**
Cost					
At January 1, 2022	1,496,909	1,268,916	470,219	209,213	3,445,257
Additions	–	266,095	24,646	173,930	464,671
Disposals	–	–	–	(146,181)	(146,181)
At September 30, 2022	**1,496,909**	**1,535,011**	**494,865**	**236,962**	**3,763,747**
Accumulated amortization					
At January 1, 2022	–	(406,893)	(317,085)	(164,619)	(888,597)
Amortization for the year	–	(77,478)	(64,560)	(33,195)	(175,233)
Disposals	–	–	–	146,180	146,180
At September 30, 2022	**–**	**(484,371)**	**(381,645)**	**(51,634)**	**(917,650)**
Net book value at September 30, 2022	**1,496,909**	**1,050,640**	**113,220**	**185,327**	**2,846,097**

(i) Buildings include right-of-use assets with net book value of $202,867 (December 31, 2021 – $nil).
(ii) Vehicles include right-of-use assets with net book value of $150,662 (December 31, 2021 – $nil).

($)	Land	Buildings	Furniture and equipment	Vehicles	Total
Cost					
At January 1, 2021	1,496,909	1,268,916	337,163	209,213	3,312,201
Additions	–	–	133,056	–	133,056
At December 31, 2021	1,496,909	1,268,916	470,219	209,213	3,445,257
Accumulated amortization					
At January 1, 2021	–	(367,685)	(249,476)	(146,895)	(764,056)
Amortization for the year	–	(39,208)	(67,609)	(17,724)	(124,541)
At December 31, 2021	–	(406,893)	(317,085)	(164,619)	(888,597)
Net book value at December 31, 2021	1,496,909	862,023	153,134	44,594	2,556,660

8. MINERAL PROPERTIES AND RELATED DEFERRED COSTS

As of September 30, 2022, and December 31, 2021, the accumulated costs with respect to the Company's interest in mineral properties, consisted of the following:

	Balance January 1, 2022	Additions, net of recoveries	Sale of SRSR NSR royalty	**Balance September 30, 2022**
	($)	($)	($)	**($)**
Goliath Gold Project	88,574,509	9,274,847	(7,109,600)	**90,739,756**
Goldlund Gold Project	95,935,997	2,818,496	(7,109,600)	**91,644,893**
Weebigee Project	2,734,108	–	–	**2,734,108**
Lara Polymetallic Project	888,236	(888,236)	–	**–**
	188,132,850	11,205,107	(14,219,200)	**185,118,757**

(Unaudited – Expressed in Canadian Dollars)

8. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (cont'd)

	Balance January 1, 2021	Additions net of recoveries	Sale of SRSR NSR royalty	Balance December 31, 2021
	($)	($)	($)	($)
Goliath Gold Project	78,379,133	10,195,376	–	88,574,509
Goldlund Gold Project	91,668,813	4,267,184	–	95,935,997
Weebigee Project	2,788,448	(54,340)	–	2,734,108
Lara Polymetallic Project	888,236	–	–	888,236
	173,724,630	14,408,220	–	188,132,850

(a) Sale of Royalty to Sprott Resource Streaming and Royalty Corp

On April 11, 2022, the Company sold a 2.2% net smelter returns ("NSR") royalty on the properties that comprise of the Goliath Gold Complex to Sprott Resource Streaming and Royalty Corp ("SRSR") for gross proceeds of $25,178,000 (US $20.0 million). The SRSR NSR applies to sales of precious and base metals from all of the claims which comprise the Goliath Gold Complex.

The Company has an option to buy back 50% of the SRSR NSR based upon the buy-down schedule set out below. Upon the achievement of 1.5 million ounces of gold production, the royalty will automatically reduce by 50% for no additional consideration by the Company. Proceeds will be used to complete ongoing work to deliver a feasibility study for the Goliath Gold Complex and for general corporate and working capital purposes.

The Company has a one-time option (the "Buy-Down Option") to reduce the applicable NSR percentage by 50% and 50% of any remaining minimum payments, by exercising its option and paying the applicable amount below:

- (i) On or before December 31, 2024 – US$14.0 million
- (ii) From January 1, 2025 until December 31, 2025 – US$16.0 million
- (iii) From January 1, 2026 until December 31, 2026 – US$17.0 million
- (iv) From January 1, 2027 until December 31, 2027 – US$18.25 million
- (v) From January 1, 2028 until December 31, 2028 – US$19.5 million

The Buy-Down Option is treated as a financial instrument measured at fair value taking into account the likelihood of the Company exercising the option. As of September 30, 2022, in the absence of environmental approvals and financing to build the mine, it is unlikely management will exercise this buy-down option, and as such, management has ascribed a $nil value to it.

The sale of the royalty has been divided into two parts for accounting purposes:

1. Sale of a portion of the Goliath Gold Complex as control over a portion of future gold production is transferred to SRSR for the 2.2% NSR royalty.

2. Financial liability, in accordance with IFRS 9, for the contractual obligation to pay SRSR the minimum payment of USD 500,000 payable quarterly in cash or in common shares until the earlier of December 31, 2027 and the date that commercial production is declared.

(b) Lara Polymetallic Project

During the second quarter, the annual mining leases of the property were not renewed. All non-recoverable costs associated with this project were written off as the Company has elected not to continue to explore these properties and has abandoned them.

(Unaudited – Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

($)	**September 30 2022**	December 31 2021
Trade accounts payable	**274,312**	705,347
Accrued liabilities	**672,608**	1,018,326
	946,920	1,723,673

10. SHORT-TERM AND LONG-TERM DEBT

The present value of short and long-term debts at September 30, 2022 and December 31, 2021 is as follows:

($)	Convertible debt	Lease payable	**September 30 2022**
Loan amount	6,844,672	420,463	**7,265,135**
Unaccreted amount	(265,550)	(37,068)	**(302,618)**
Carrying value of the debt	6,579,122	383,395	**6,962,517**
Current portion of the debt	(6,579,122)	(104,715)	**(6,683,837)**
Long-term debt	–	278,680	**278,680**

($)	Convertible debt	Lease payable	December 31 2021
Loan amount	5,909,758	–	5,909,758
Unaccreted amount	(500,243)	–	(500,243)
Carrying value of the debt	5,409,515	–	5,409,515
Current portion of the debt	–	–	–
Long-term debt	5,409,515	–	5,409,515

(a) Convertible Debt

At September 30, 2022, the convertible debt was $6,844,672 (US$5.0 million) as per a debt agreement signed in June 2016 with Extract Lending LLC and Extract Capital Master Fund Ltd. (together, "Extract"), in addition to the four amendments signed in the subsequent years of which the last ("the fourth amendment") was signed on March 10, 2021. Also on March 10, 2021, Extract and Sprott Private Resource Lending II ("Sprott") signed a debt assignment agreement by which Extract assigned, transferred, and sold to Sprott US$2.2 million owed to Extract by the Company together with all the rights and obligations under the debt agreement.

Under the fourth amendment, certain terms of the Company’s convertible debt were changed such as the extension of the debt maturity by seven months to June 30, 2023 and the addition of the ability, at the Company’s option, to pay interest in cash; in kind, capitalizing it to the facility; or by issuing common shares based on the average volume-weighted price of the five consecutive trading days to the interest payment, less a 15% discount. During the period, $426,683 of interest has been capitalized to the facility.

Under the terms of the debt agreement, the debt may be converted at Extract's and Sprott’s option, in part or in full, at any time, into common shares of the Company at $0.96 per common share and the interest rate is 12-month LIBOR (minimum 200 basis points) plus 6.5%. The debt is secured by a general security agreement, a debenture delivery agreement and demand debenture, which is secured by the Goliath Gold Project property, land, and mining claims in Kenora.

10. SHORT-TERM AND LONG-TERM DEBT (cont'd)

	September 30, 2022		December 31, 2021	
($)	**Debt**	**Derivative**	Debt	Derivative
Beginning balance	**5,409,515**	**710,032**	4,959,393	3,680,193
Accretion	**–**	**–**	58,768	–
Change in fair value	**–**	**–**	–	(1,740,431)
Foreign exchange adjustment	**–**	**–**	(37,138)	–
Carrying value prior to amendment	**–**	**–**	4,981,023	1,939,762
Loss on debt extinguishment (i)	**–**	**–**	47,097	–
Fair value of new instrument	**5,409,515**	**710,032**	5,028,120	1,939,762
Accretion	**257,787**	**–**	241,310	–
Change in fair value	**–**	**(703,329)**	(210,200)	(1,229,730)
Capitalized interest	**426,683**	**–**	331,438	–
Foreign exchange adjustment	**485,137**	**–**	18,847	–
Ending balance	**6,579,122**	**6,703**	5,409,515	710,032

(i) Does not include transaction costs incurred on debt amendment.

Under IFRS, the fourth amendment was a substantial modification of the debt; accordingly, the debt instruments were recorded at fair value on the amendment date and the net reduction originated by the amendment was immediately recorded as a loss on debt extinguishment in the consolidated statements of operations. The transaction costs incurred on amendment will be expensed and recorded in the consolidated statements of operations.

The fair value of the debt component at March 10, 2021, after the fourth amendment, was USD$4,430,247 ($5,536,037) based on a market borrowing rate of 15.7%.

Due to the loan being denominated in U.S. dollars, the conversion feature has been presented as a non-cash derivative liability. As at September 30, 2022, the non-cash derivative liability of the debt was assigned a fair value of $6,703 (December 31, 2021 - $710,032) using the Black-Scholes option pricing model with the following assumptions: share price $0.30 (December 31, 2021 - $0.75), dividend yield 0%, expected volatility based on historical volatility 57.1% (December 31, 2021 – 48.8%), a risk free interest rate of 3.74% (December 31, 2021 – 0.97%) and an expected life of 0.75 years (December 31, 2021 – 1.5 years). The fair value gain of $703,329 (2021 – gain of $3,180,361) has been recognized in the interim condensed consolidated statements of operations. The effective interest rate of the debt was 15.7%.

(b) Lease Payable

During the period ended September 30, 2022, the Company entered into a sub-lease agreement for its corporate office with a commencement date of January 1, 2022. The term of the lease is three years and ten months ending on October 30, 2025. The Company also entered into several four-year lease agreements for vehicles to be used at the project site. At September 30, 2022, the Company is committed to pay $420,463 through monthly payments until the end of the lease agreements.

($)	**September 30 2022**	December 31 2021
Lease payable	**420,463**	–
Unamortized discount	**(37,068)**	–
Fair value of the lease payable	**383,395**	–

(Unaudited – Expressed in Canadian Dollars)

11. SRSR PAYMENT OBLIGATION

($)	**September 30 2022**	December 31 2021
Loan amount	**15,077,700**	–
Unaccreted amount	**(3,254,109)**	–
Carrying value of the SRSR payment obligation	**11,823,591**	–
Current portion of the SRSR payment obligation	**(1,708,037)**	–
Long-term portion of SRSR payment obligation	**10,115,554**	–

(a) Sprott Resource Streaming and Royalty Corp

In connection with the sale of royalty to SRSR (see Note 8), the Company is required to make minimum payments of US $500,000 to SRSR payable quarterly until the earlier of December 31, 2027 and the date that commercial production is declared. The Company may elect to satisfy the payment on the loan in cash or the issuance of common shares of the Company at a price per common share equal to 95% of the volume-weighted average price of the five consecutive trading days prior to the date payment is due at the Company's sole discretion. The minimum payments are secured by a general security agreement and is registered against the Company's assets.

The Company entered into an agreement within the scope of IFRS 9 'Financial Instruments'. The initial fair value of the financial liability was determined using a discount rate of 10.2%. Subsequent to initial recognition, the SRSR obligation is carried at amortized cost using the effective interest rate method. As at September 30, 2022, the SRSR obligation was $11,823,591 (US $8.6 million).

12. CAPITAL STOCK

(a) Authorized

Unlimited common shares

(b) Issued

COMMON SHARES	Number of Shares	Stated Value ($)
Balance, January 1, 2021	**112,621,146**	**187,969,705**
Stock options exercised	100,000	90,000
Fair value of stock options exercised	–	34,200
Warrants exercised	13,699	14,795
Flow-through share premium	–	(1,023,000)
Fair value of warrants exercised	–	11,591
Share issue costs	–	(1,213,714)
Exercise of non-flow-through Special Warrants	10,631,579	10,100,000
Exercise of flow-through Special Warrants	6,820,000	7,502,000
Rounding adjustment (i)	(61)	–
Balance, September 30, 2021	**130,186,363**	**203,485,577**
Flow-through shares issued for cash in private placement	7,692,971	6,539,025
Share issue costs	–	(32,682)
Flow-through share premium	–	(538,508)
Balance, December 31, 2021	**137,879,334**	**209,453,412**
Restricted share units redeemed (Note 15)	269,441	135,821
Balance, September 30, 2022	**138,148,775**	**209,589,233**

(i) In connection with a reverse stock split, a rounding difference of 61 shares was determined and written off.

(Unaudited – Expressed in Canadian Dollars)

12. CAPITAL STOCK (cont'd)

(c) Private Placements

On November 5, 2021, the Company issued 7,692,971 Canadian Exploration Expenditures ("CEE") flow-through common shares of the Company ("CEE flow-through shares") at a price of $0.85 per share by way of private placement for gross proceeds of $6,539,025. Share issuance costs of $32,682 were incurred in relation to the offering resulting in net proceeds to the Company of $6,506,343. A value of $538,508 was attributed to the flow-through premium liability in connection with the financing.

13. SPECIAL WARRANTS

On March 10, 2021, the Company closed private placements of an aggregate of 10,631,579 non-flow-through special warrants ("NFT Special Warrants") on a bought deal basis at a price of $0.95 per NFT Special Warrant and 6,820,000 flow-through special warrants ("FT Special Warrants") at a price of $1.10 per FT Special Warrant. The total gross proceeds to the Company are $17,602,000. Each Special Warrant is exercisable to acquire one common share of the Company. The FT Special Warrants were "flow-through shares" for purposes of the Income Tax Act (Canada). A value of $1,023,000 was attributed to the flow-through premium liability in connection with the financing.

On May 6, 2021, the Company filed its final short form prospectus and obtained a receipt with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario in connection with the above financing. In accordance with the terms of a special warrant indenture dated as of March 10, 2021, between the Company and TSX Trust Company, as special warrant agent, each Special Warrant was automatically exercised into one common share on May 13, 2021, being the fifth business day after the date of obtaining the Final Receipt.

There were issuance costs of $1,213,714 for the Special Warrants. The net proceeds from this private placement will be used for the exploration and development of the Goliath and Goldlund projects, and for general corporate purposes.

14. WARRANTS

The following table reflects the continuity of warrants for the period and year ended September 30, 2022 and December 31, 2021, respectively:

	Number of Warrants at September 30, 2022	Number of Warrants at December 31, 2021	**Weighted Average Exercise Price 2022**	Weighted Average Exercise Price 2021
			($)	($)
Balance, beginning of period	**24,592,635**	27,448,028	**1.54**	1.51
Exercised	**–**	(13,699)	**–**	1.08
Expired	**(6,159,636)**	(2,841,694)	**–**	1.23
Balance, end of the period	**18,433,000**	24,592,635	**1.48**	1.54

(Unaudited – Expressed in Canadian Dollars)

14. WARRANTS (cont'd)

The issued and outstanding warrants are comprised as follows:

Expiry Date	Type	**Number of Warrants at September 30, 2022**	Number of Warrants at December 31, 2021	Exercise Price ($)
August 7, 2022	Warrants	**–**	5,333,333	1.80
August 14, 2022	Warrants	**–**	200,000	1.20
August 17, 2022	Compensation warrants	**–**	626,301	1.08
June 6, 2023	Warrants	**2,798,082**	2,798,082	0.96
June 25, 2023	Warrants	**3,968,253**	3,968,253	1.80
August 7, 2023	Warrants	**11,666,665**	11,666,666	1.50
		18,433,000	24,592,635	

The weighted average life of the outstanding warrants at September 30, 2022 is 0.8 years (December 31, 2021 – 1.3 years).

15. SHARE-BASED PAYMENTS

On June 29, 2021, Company's shareholders approved the Omnibus Equity Incentive Plan (the "Incentive Plan"), replacing the previous Stock Option Plan (the "Legacy Plan"). The Legacy Plan continues to be authorized for the sole purpose of facilitating the vesting and exercise of existing awards previously granted under the Legacy Plan; no further awards will be granted under the Legacy Plan. Once the existing awards granted under the Legacy Plan are exercised or terminated, the Legacy Plan will terminate and be of no further force or effect.

The Incentive plan provides flexibility to the Company to grant equity-based incentive awards in the form of stock options and restricted share units ("RSUs"). The Incentive Plan is a "rolling" plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of common shares), provides that the maximum aggregate number of common shares reserved by the Company for issuance and which may be purchased upon the exercise of all stock options or RSUs (and including awards granted under the Legacy Plan) shall not exceed 9.9% of the issued and outstanding common shares from time to time. Limits have also been set in respect of the maximum number of awards that may be issued to Company insiders in any one-year period. As at September 30, 2022, the Company had an additional 5,733,728 (December 31, 2020 – 8,064,729) securities available for issuance under the plan.

(a) Options

	Number of Stock Options at September 30, 2022	Number of Stock Options at December 31, 2021	**Weighted Average Exercise Price 2022 ($)**	Weighted Average Exercise Price 2021 ($)
Balance, at beginning of period	**5,585,325**	4,019,667	**1.16**	1.19
Options granted	**3,268,675**	2,148,000	**0.65**	1.07
Exercised	**–**	(100,000)	**–**	0.90
Cancelled and forfeited	**(910,999)**	(482,333)	**1.20**	1.04
Rounding adjustment (i)	**–**	(9)	**–**	–
Balance at end of the period	**7,943,001**	5,585,325	**0.95**	1.16

(i) In connection with a reverse stock split, a rounding difference of 9 options was determined and written off.

(Unaudited – Expressed in Canadian Dollars)

15. SHARE-BASED PAYMENTS (cont'd)

For the nine months ended September 30, 2022 and 2021, the share-based payment charged to mineral properties and related deferred costs amounted to $131,579 (2021 - $152,911) and $608,855 (2021 - $557,728) was charged to operating expense.

The Company estimates expected life of options and expected volatility based on historical volatility, which may differ from actual outcomes.

The weighted average life of the outstanding options at September 30, 2022 is 1.63 years (December 31, 2021 – 1.7 years).

The outstanding stock options are comprised as follows:

Grant Date	Expiry Date	**Number of Options at September 30, 2022**	Number of Options at December 31, 2021	Exercise Price ($)
December 19, 2019	December 19, 2022	**1,013,326**	1,248,325	0.90
November 10, 2020	November 10, 2023	**1,808,000**	2,439,000	1.35
February 5, 2021	November 10, 2023	**198,000**	198,000	1.35
February 5, 2021	December 7, 2023	**600,000**	600,000	1.35
March 8, 2021	March 8, 2024	**300,000**	300,000	0.95
May 31, 2021	May 31, 2024	**150,000**	150,000	0.97
June 28, 2021	June 28, 2024	**250,000**	250,000	0.90
September 7, 2021	September 7, 2024	**400,000**	400,000	0.87
February 18, 2022	February 18, 2025	**2,698,129**	–	0.70
June 28, 2022	June 28, 2025	**390,546**	–	0.41
July 13, 2022	July 13, 2025	**150,000**	--	0.38
		7,943,001	5,585,325	

At September 30, 2022, 4,938,826 of the outstanding stock options were fully vested and exercisable (December 31, 2021 – 3,814,992).

On July 15, 2022, the Company granted 150,000 stock options to employees to buy common shares at an exercise price of $0.38 each expiring on July 15, 2025. The stock options granted to employees vest 50% on date of grant and the remaining balance of 50% on July 15, 2023. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price $0.38, dividend yield 0%, expected volatility 57.7% based on historical volatility, a risk-free interest rate of 3.18%, and an expected life of 3.00 years. As a result, the fair value of the stock options was estimated at $23,485 and will be recognized in the property cost and in the statement of operations over the periods the stock options vest.

On June 28, 2022, the Company granted 390,546 stock options to directors to buy common shares at an exercise price of $0.41 each expiring on June 28, 2025. The stock options granted to directors vest 50% on date of grant and the remaining balance of 50% on June 28, 2023. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price $0.41, dividend yield 0%, expected volatility 57.63% based on historical volatility, a risk-free interest rate of 2.54%, and an expected life of 3.00 years. As a result, the fair value of the stock options was estimated at $65,000 and will be recognized in the property cost and in the statement of operations over the periods the stock options vest.

15. SHARE-BASED PAYMENTS (cont'd)

On February 18, 2022, the Company granted 2,698,129 stock options to directors, officers and certain employees to buy common shares at an exercise price of $0.70 each expiring on Feb 18, 2025. The stock options granted to directors vest 50% on date of grant and the remaining balance of 50% on February 18, 2023. The stock options granted to officers and certain employees vest 33.3% on date of grant, 33.3% vest on February 18, 2023 and the remaining balance 33.34% % vest on February 18, 2024. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price $0.70, dividend yield 0%, expected volatility 58.09% based on historical volatility, a risk-free interest rate of 1.42%, and an expected life of 3.00 years. As a result, the fair value of the stock options was estimated at $760,690 and will be recognized in the property cost and in the statement of operations over the periods the options vest.

On September 7, 2021, the Company granted 400,000 stock options to certain employees to buy common shares at an exercise price of $0.87 each expiring on September 7, 2024. The stock options vest 25% at March 7, 2022, 25% at September 7, 2022, 25% at March 7, 2023 and the remaining 25% vest at September 7, 2023. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price $0.87, dividend yield 0%, expected volatility 60.1% based on historical volatility, a risk-free interest rate of 0.67%, and an expected life of 3 years. As a result, the fair value of the stock options was estimated at $140,414 and will be recognized in the property cost and operations over the periods the stock options vest.

On June 28, 2021, the Company granted 500,000 stock options to employees to buy common shares at an exercise price of $0.90, each expiring on June 28, 2024. The stock options vest 25% at December 28, 2021, 25% at June 28, 2022, 25% at December 28, 2022 and the remaining 25% vest at June 28, 2023. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price $0.90, dividend yield 0%, expected volatility 59.96% based on historical volatility, a risk-free interest rate of 0.65%, and an expected life of 3 years. As a result, the fair value of the stock options was estimated at $90,561 and will be recognized in the statement of operations over the periods the stock options vest. As at December 31, 2021, 250,000 stock options were canceled.

On May 31, 2021, the Company granted 150,000 stock options to an employee to buy common shares at an exercise price of $0.97, each expiring on May 31, 2024. The stock options vest 25% at November 30, 2021, 25% at May 31, 2022, 25% at November 30, 2022 and the remaining 25% vest at May 31, 2023. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price $0.92, dividend yield 0%, expected volatility 60.3% based on historical volatility, a risk-free interest rate of 0.65%, and an expected life of 3 years. As a result, the fair value of the stock options was estimated at $53,622 and will be recognized in the property cost over the periods the stock options vest.

On March 8, 2021, the Company granted 300,000 stock options to an employee to buy common shares at an exercise price of $0.95, each expiring on March 8, 2024. The stock options vest 25% at September 8, 2021, 25% at March 8, 2022, 25% at September 8, 2022 and the remaining 25% vest at March 8, 2023. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price $0.92, dividend yield 0%, expected volatility 59.21% based on historical volatility, a risk-free interest rate of 0.49%, and an expected life of 3 years. As a result, the fair value of the stock options was estimated at $106,751 and will be recognized in the statement of operations over the periods the options vest.

On February 5, 2021, the Company granted a total of 798,000 options to an officer and certain employees to buy common shares at an exercise price of $1.35 each, expiring between November 10, 2023 and December 7, 2023. The stock options vest 33.3% at date of granting, 33.3% at November 10, 2021 and the remaining balance 33.34% vest on November 10, 2022. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price $1.06, dividend yield 0%, expected volatility 61.61% based on historical volatility, a risk-free interest rate of 0.32%, and an expected

(Unaudited – Expressed in Canadian Dollars)

15. SHARE-BASED PAYMENTS (cont'd)

life of 2.76 years. As a result, the fair value of the options was estimated at $272,255 and will be recognized in the property cost and in the statement of operations over the periods the options vest.

(b) Restricted Share Units ("RSUs")

On August 12, 2022, the Company granted 50,891 RSUs to directors that have an expiry date of December 31, 2025. The RSUs vest in accordance with the following schedule: (i) 33.33% on the grant date; (ii) 33.33% one year from the grant date; and (iii) 33.34% two years from the grant date. On any date that falls on or after the vesting date but on or before November 30, 2025, the holder may deliver a written conversion notice specifying that the holder elects to receive common shares on the basis of one (1) common share for one (1) RSU; the RSUs cannot be settled in whole or in part for cash. The fair value assigned to the RSUs was estimated using the volume-weighted average price of the common shares on the TSX for the five trading days immediately preceding the grant date.

On June 28, 2022, the Company granted 158,536 RSUs to directors that have an expiry date of December 31, 2025. The RSUs vest in accordance with the following schedule: (i) 33.33% on the grant date; (ii) 33.33% one year from the grant date; and (iii) 33.34% two years from the grant date. On any date that falls on or after the vesting date but on or before November 30, 2025, the holder may deliver a written conversion notice specifying that the holder elects to receive common shares on the basis of one (1) common share for one (1) RSU; the RSUs cannot be settled in whole or in part for cash. The fair value assigned to the RSUs was estimated using the volume-weighted average price of the common shares on the TSX for the five trading days immediately preceding the grant date.

On February 18, 2022, the Company granted 1,337,489 RSUs to directors, officers and certain employees that have an expiry date of December 31, 2025. The RSUs vest in accordance with the following schedule: (i) 33.33% on the grant date; (ii) 33.33% one year from the grant date; and (iii) 33.34% two years from the grant date. On any date that falls on or after the vesting date but on or before November 30, 2025, the holder may deliver a written conversion notice specifying that the holder elects to receive common shares on the basis of one (1) common share for one (1) RSU; the RSUs cannot be settled in whole or in part for cash. The fair value assigned to the RSUs was estimated using the volume-weighted average price of the common shares on the TSX for the five trading days immediately preceding the grant date.

For the nine months ended September 30, 2022 and 2021, the Company recognized share-based payment expense related to the vesting of RSUs amounting to $94,116 charged to mineral properties and related deferred costs (2021-$nil) and $543,291 (2021 - $nil) was charged to operating expense.

	Number of Units at September 30, 2022	Number of Units at December 31, 2021	**Weighted Fair Value at September 30, 2022**	Weighted Fair Value December 31, 2021
			($)	($)
Balance, at beginning of period	**–**	–	**–**	–
Granted	**1,546,916**	–	**0.66**	–
Redeemed	**(269,440)**	–	**0.50**	–
Balance at end of the period	**1,277,476**	–	**0.69**	–

(Unaudited – Expressed in Canadian Dollars)

16. RELATED PARTY DISCLOSURES

Until March 31, 2021, certain corporate entities related to the Company's officers and directors provided services to the Company. Laramide Resources Ltd. ("Laramide") had a director and an officer in common with Treasury Metals and shared office facilities with the Company. After March 31, 2021, Laramide ceased to be a related party to the Company. There was $nil accounts payable to Laramide as of September 30, 2022 (September 30, 2021 – $nil).

Cypherpunk Holdings Inc. had an officer and director in common with the Company. After March 31, 2021, Cypherpunk ceased to be a related party to the Company. There was $nil accounts receivable from Cypherpunk as of September 30, 2022 (September 30, 2021 – $nil).

Transactions with related parties were conducted in the normal course of business and are measured at the exchange amounts.

17. KEY MANAGEMENT COMPENSATION

Key management includes the Chief Executive Officer, Chief Financial Officer and members of the Board of Directors of the Company.

The compensation payable to key management is shown below:

	Periods ended	
($)	**September 30 2022**	September 30 2021
Salaries	**716,711**	518,875
Director fees	**184,500**	180,750
Other cash compensation	**–**	300,000
Share-based compensation, at fair value	**180,896**	311,454
	1,082,107	1,311,079

18. COMMITMENTS AND CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

(a) The Company is committed to spend $6,539,025 by December 31, 2022 on Canadian exploration expenses ("CEE") as part of the flow-through financing dated on November 8, 2021. At September 30,2022, the Company has spent $6,155,441, leaving a remaining commitment of $383,584. All flow-through spending commitments from previous flow-through financings have been fulfilled.

(b) An audit was commenced by the Canada Revenue Agency (the "CRA") in December 2016 of the flow-through expenditures incurred by the Company on the Goliath Gold Project, pursuant to the flow-through share financings completed on December 6, 2011, September 21, 2012, May 1, 2013, and December 20, 2013. On March 7, 2018, the Company was advised by the CRA that out of the total of $12.5 million the Company raised through the flow-through share financings and renounced to subscribers, that the CRA had reclassified approximately $1.8 million of CEE to operating expenses and a further $2.2 million of CEE to Canadian Development Expenses ("CDE"). In addition, pursuant to the audit, the CRA notified the Company that it is liable for Part XII.6 tax in the amount of $477,726 in connection with the shortfall from the disallowed CEE. Subsequently on July 2, 2021, the CRA issued a Notice of Reassessment that reduced the amount of the unpaid Part XII.6 tax to $430,689.

18. COMMITMENTS AND CONTRACTUAL OBLIGATIONS AND CONTINGENCIES (cont'd)

On September 30, 2021, the Company filed a Notice of Appeal where it disputes the CRA's proposed re-characterizations of expenses from CEE to either CDE or operating expenses. Due to the uncertainty of the outcome, no liability has been recorded in the interim condensed consolidated financial statements. The Notice of Appeal was transmitted to the Department of Justice on October 21, 2021 and lawyers were assigned by the Department of Justice in December 2021.

19. FINANCIAL RISK FACTORS

(a) Capital Management

The Company manages its capital structure and makes appropriate adjustments, based on the funds available to the Company, 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 Company considers capital from two perspectives: its working capital position and its capital stock, warrant, and stock option components of its shareholders' equity.

At September 30, 2022, the Company has a working capital of $12,196,308 excluding the flow-through share premium liability and derivative liability (December 31, 2021 - $10,187,429); Capital stock and contributed surplus total $235,429,334 (2021 - $234,051,492).

To effectively manage the Company's capital requirements, management has put in place a rigorous planning, budgeting, and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there are sufficient committed loan facilities and planned future capital raises to meet its short-term business requirements, considering its anticipated cash flow from operations and its holding of cash and cash equivalents and marketable securities.

At September 30, 2022, the Company expects its capital resources and projected future cash flows from financing to support its normal operating requirements on an ongoing basis, and planned development and exploration of its mineral properties and other expansionary plans.

The properties in which the Company currently has an interest are in the exploration stage and as such the Company is dependent on external financing to fund its activities. 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 period ended September 30, 2022.

(b) Risk Disclosures

Exposure to credit, interest rate and currency risks arises in the normal course of the Company's business.

19. FINANCIAL RISK FACTORS (cont'd)

(c) Credit Risk

The Company has cash and cash equivalents balance of $20,101,604 (December 31, 2021 - $10,090,415). The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. There is no significant credit risk in respect of receivables.

(d) Interest Rate Risk

The Company has exposure to interest rate risk since its short-term debt has an interest rate based on 12-month LIBOR, subject to an interest floor.

(e) Market Price Risk

The Company has convertible debt and minimum payment obligations denominated in US Dollars. The convertible feature of the convertible debt has been classified as a derivative liability. Among other variables, the fair value of the derivative liability is affected by changes in the market price of the Company shares.

(f) Foreign Currency Risk

The Company is exposed to foreign currency risk on financial assets and liabilities that are denominated in a currency other than the Canadian dollar. The currency giving rise to this risk is primarily the US dollar. The balance of net monetary liabilities in such currency as of September 30, 2022 was $16,370,170 (December 31, 2021 - $5,424,084).

(g) Liquidity Risk

The Company is exposed to liquidity risk primarily because of its trade accounts payable and its debt. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2022, the Company had a cash and cash equivalents balance of $20,101,604 (December 31, 2021 - $10,090,415) to settle current liabilities of $9,338,794 (December 31, 2021 - $1,723,673), excluding the flow-through share premium liability and derivative liability. All the Company's trade accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms. The Company relies on external financing to generate sufficient operating capital and the management believes it will be able to raise any required funds in the short-term.

(h) Sensitivity Analysis

As at September 30, 2022 and December 31, 2021, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movement is "reasonably possible" over a twelve-month period.

(i) The Company is exposed to interest rate risk on LIBOR fluctuations for its convertible debt. A variance of 1% in the 12-month LIBOR will affect the annual Company's net comprehensive loss by approximately $68,447 (2021 - $59,098).

(ii) The Company is exposed to foreign currency risk on fluctuations of balances that are denominated in US currency related to cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, short-term and long-term debt. Sensitivity to a plus or minus 10% change in the foreign exchange rate would affect the net comprehensive loss by $1,637,017 (2021 - $542,408).

(Unaudited – Expressed in Canadian Dollars)

19. FINANCIAL RISK FACTORS (cont'd)

(iii) The Company is exposed to market risk as it relates to its investments held in marketable securities. If market prices had varied by 10% from their September 30, 2022 fair market value positions, the comprehensive loss would have varied by $55,342 (2021 - $69,383).

(i) Fair Value Hierarchy

The Company has designated its investments as FVTOCI, which are measured at fair value. The non-cash derivative liability is classified as FVTPL and is measured at fair value with unrealized gains or losses reported in the consolidated statement of operations.

Accounts payable and accrued liabilities, short-term and long-term debt are considered as other financial liabilities, which are measured at amortized cost which also approximates fair value. The fair value of long-term debt approximates their carrying amount due to the effective interest rate being close to the market rate.

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where fair value measurement is required. Fair value amounts represent point in time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the statement of financial position, have been prioritized into three levels as per the fair value hierarchy. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data. The carrying value of cash and cash equivalents and investments approximate their fair value.

September 30, 2022:	**Level One**	**Level Two**	**Level Three**
	($)	**($)**	**($)**
Investments	**503,419**	**–**	**–**
Derivative liability	**–**	**(6,703)**	**–**
SRSR payment obligation	**–**	**(11,823,591)**	**–**
	503,419	**(11,830,294)**	**–**

December 31, 2021	Level One	Level Two	Level Three
	($)	($)	($)
Investments	667,388	26,437	–
Derivative liability	–	(710,032)	–
	667,388	(683,595)	–

There have been no transfers between levels 1, 2, or 3 during the periods.