Canada One Mining Corp.
(*An Exploration Stage Company*)

Consolidated Financial Statements

July 31, 2022 and 2021

(Expressed in Canadian Dollars)

<u>Head Office</u>

250 – 750 West Pender Street
Vancouver, BC, V6C 2T7

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Canada One Mining Corp.

Opinion

We have audited the accompanying consolidated financial statements of Canada One Mining Corp. (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2022 and 2021, and the consolidated statements of net loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company reported a net loss and comprehensive loss of $310,959 for the year ended July 31, 2022, and as of that date, had an accumulated deficit of $23,465,481 and a working capital deficiency of $1,330,733. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Glenn Parchomchuk.

Davidson & Company LLP

Vancouver, Canada   Chartered Professional Accountants

November 28, 2022

Canada One Mining Corp.
(An Exploration Stage Company)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at July 31,

	2022	2021
Assets		
Current		
Cash	$ 159	$ 6,518
GST receivable	12,583	23,181
Prepaid	-	2,000
	12,742	31,699
Exploration and evaluation assets *(Note 4)*	21,646	21,646
Reclamation bonds *(Note 5)*	23,000	23,000
	$ 57,388	$ 76,345
Liabilities		
Current		
Accounts payable and accrued liabilities *(Note 6, 10)*	$ 489,401	$ 301,991
Due to related parties *(Note 10)*	555,265	511,318
Loans payable *(Note 7 and 10)*	298,809	220,164
Indemnification provision *(Note 8)*	-	18,000
	1,343,475	1,051,473
Shareholders' Deficiency		
Share capital *(Note 9)*	19,923,937	19,923,937
Share-based payment reserve *(Note 9)*	2,255,457	2,255,457
Deficit	(23,465,481)	(23,154,522)
	(1,286,087)	(975,128)
	$ 57,388	$ 76,345

Nature of operations and going concern *(Note 1)*
Subsequent events *(Note 15)*

Approved on behalf of the Board:

"Michael Kinley"	*"Peter Berdusco"*
Michael Kinley	Peter Berdusco
Director	Director

See accompanying notes to the consolidated financial statements.

Canada One Mining Corp.
(An Exploration Stage Company)
Consolidated Statements of Net Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the years ended July 31,

		2022		2021
Expenses				
Consulting *(Note 10)*	$	**120,000**	$	120,000
Interest expense		**3,999**		13,604
Management fees (*Note 10)*		**96,000**		66,000
Marketing		**65,000**		11,104
Office (*Note 10)*		**5,820**		29,972
Professional fees		**45,780**		34,485
Project investigation costs *(Note 4)*		**73,996**		-
Rent		**20,650**		-
Transfer agent and filing fees		**18,742**		10,301
Write-off of current liabilities (*Note 6,8)*		**(139,028)**		(21,208)
Net loss and comprehensive loss for the year	$	**(310,959)**	$	(264,258)
Loss per share – basic and diluted	$	**(0.01)**	$	(0.01)
Weighted average number of common shares outstanding – Basic and diluted		**22,613,456**		22,613,456

See accompanying notes to the consolidated financial statements.

Canada One Mining Corp.
(An Exploration Stage Company)
Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Number of shares		Share capital		Share-based payment reserve		Deficit		Total shareholders' deficiency
Balance, July 31, 2020	22,613,456	$	19,923,937	$	2,255,457	$	(22,890,264)	$	(710,870)
Net loss for the year	-		-		-		(264,258)		(264,258)
Balance, July 31, 2021	22,613,456		19,923,937		2,255,457		(23,154,522)		(975,128)
Net loss for the year	-		-		-		(310,959)		(310,959)
Balance, July 31, 2022	22,613,456	$	19,923,937	$	2,255,457	$	(23,465,481)	$	(1,286,087)

See accompanying notes to the consolidated financial statements.

Canada One Mining Corp.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the years ended July 31,

	2022	2021
Operating Activities		
Net loss for the year	$ (310,959)	$ (264,258)
Items not involving cash:		
Loan interest	-	13,604
Write-off of current liabilities	(139,028)	21,208
Change in non-cash working capital items:		
GST receivable	10,598	(6,530)
Due to related parties	43,947	124,910
Accounts payable and accrued liabilities	283,792	113,903
Prepaids	2,000	-
Cash provided by (used in) operating activities	(109,650)	2,837
Investing Activities		
Expenditures on exploration and evaluation assets	(27,343)	(8,000)
Cash used in investing activities	(27,343)	(8,000)
Financing Activities		
Loan proceeds	130,634	36,960
Loan repayments	-	(15,960)
Cash provided by financing activities	130,634	21,000
Change in cash	(6,359)	15,837
Cash, beginning of the year	6,518	(9,319)
Cash, end of the year	$ 159	$ 6,518

Supplemental cash flow information *(Note 11)*

See accompanying notes to the consolidated financial statements.

1. Nature of Operations and Going Concern

Canada One Mining Corp. (the “Company”) is an exploration stage company incorporated under the laws of British Columbia and its shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol “CONE” (formerly “URA”). The Company’s registered office is located at Suite 250 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T7.

The Company is focused on the exploration of its resource properties in British Columbia and has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable.

These consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business.

The recovery of amounts shown as acquisition costs of exploration and evaluation assets and the related deferred exploration costs for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development, and upon future profitable operations from the properties or proceeds from the disposition thereof.

The Company’s ability to continue as a going concern is dependent on the Company being able to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its exploration and evaluation asset interests, the attainment of profitable mining operations and/or the receipt of proceeds from the disposition of its exploration and evaluation asset interests.

These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

The Company reported a net loss and comprehensive loss of $310,959 (2021 - $264,258) for the year ended July 31, 2022, has an accumulated deficit of $23,465,481 at July 31, 2022 (2021 - $23,154,522) and a working capital deficiency of $1,330,733 at July 31, 2022 (2021 - $1,019,774). The Company has no meaningful sources of generating cash, in either the short- or long-term, other than accessing the capital markets for the placement of its equity securities. The Company is dependent on the capital markets to provide funding for future activities and outlays, and these markets can be highly variable and volatile over a multi-year cycle. A deterioration of those capital markets could have a material adverse effect on the Company’s prospects for success or even for survival. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management’s plan will be successful. These uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

2. Significant Accounting Policies

a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board ("IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The policies applied in these consolidated financial statements are presented below and are based on IFRS issued and effective as of July 31, 2022.

These consolidated financial statements have been prepared under the historical cost basis, except for financial instruments classified as available-for-sale and fair value through profit or loss. These consolidated financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

The Board of Directors approved the consolidated financial statements on November 28, 2022.

b) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Anglo-Canadian Minerals, Corp. (incorporated in Nevada, USA) and Anglo-Canadian Gold Corp. (incorporated in British Columbia). Both subsidiaries are holding corporations. All intercompany transactions and balances have been eliminated.

c) Foreign Currency Transactions

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transaction. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

2. Significant Accounting Policies *(continued)*

d) Estimates and Judgments

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment of the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the consolidated statements of financial position.
ii) The inputs in the Black-Scholes option pricing model to value stock options and agent warrants.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Economic recoverability and probability of future benefits of exploration and evaluation costs.

Management has determined that exploration, evaluation and related costs incurred that were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits, including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

i) Valuation of share-based compensation

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity settled benefits.

e) Exploration and Evaluation Assets

Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit-of-production method. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value.

2. Significant Accounting Policies *(continued)*

e) Exploration and Evaluation Assets *(continued)*

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

f) Impairment

At the end of each reporting period, the Company's long-lived assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

g) Share Capital

Share capital issued for non-monetary consideration is recorded at fair market value pursuant to the agreement to issue shares as determined by the Board of Directors of the Company based on the trading price of the shares on the TSX-V.

h) Provision for Environmental Rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets.

2. Significant Accounting Policies *(continued)*

h) Provision for Environmental Rehabilitation *(continued)*

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

i) Flow-Through Shares

Canadian income tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities. The flow-through premium is reversed into profit or loss as the qualifying Canadian exploration expenditures are made.

j) Share Issue Costs

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs, which will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

k) Share-Based Payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options granted to employees is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. The amount is recognized as an expense with a corresponding increase to share-based payment reserves. Consideration paid for the shares on the exercise of stock options is credited to share capital and the related share-based payment in the share-based payment reserve is transferred to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment using the Black-Scholes option pricing model. Otherwise, share-based payments to non-employees are measured at the fair value of the goods or services received.

2. Significant Accounting Policies *(continued)*

l) Income Taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantively enacted. The amount of deferred income tax assets is limited to the amount of the benefit that is probable of being realized.

m) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted loss per share. Under this method, the dilutive effect on loss per share is calculated presuming the proceeds of exercise of outstanding options, warrants and similar instruments would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

n) Financial Instruments

The following table summarizes the classification for each class of the Company’s financial assets and financial liabilities:

Financial Assets and Liabilities	**IFRS 9 Classification**
Cash	Fair value through profit and loss
Reclamation bonds	Amortized cost
Due to related parties	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost

2. Significant Accounting Policies *(continued)*

n) Financial Instruments *(continued)*

(i) Financial assets

All financial assets are measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial assets' classification, as described below:

Fair value through profit or loss ("FVTPL"): Financial instruments designated at FVTPL are initially recognized and subsequently measured at fair value with changes in those fair values charged immediately to net earnings. Financial instruments under this classification include cash.

Amortized cost: Financial instruments designated at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method. Financial instruments under this classification include reclamation bonds.

Fair value through other comprehensive income ("FVOCI"): Financial instruments designated at FVOCI are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at fair value with changes in fair value recognized in other comprehensive income, net of tax.

(ii) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or amortized cost. Financial liabilities classified as amortized cost financial liabilities are initially recognized at fair value less directly attributable transaction costs. The Company's cash indebtedness, accounts payable and accrued liabilities, due to related parties and loans payable are classified at amortized cost. The Company does not currently have any FVTPL financial liabilities.

(iii) *Impairment of financial assets*

An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

o) Valuation of Equity Units Issued in Private Placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of common shares issued in a private placement are determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded in reserves.

2. Significant Accounting Policies *(continued)*

p) Leases

IFRS 16 Leases specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases.

3. Risk Management and Financial Instruments

The carrying values of the Company's cash, reclamation bonds, accounts payable and accrued liabilities, loans payable and due to related parties approximate their fair value due to their short-term nature.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to its holdings of cash and reclamation bonds. The carrying amounts of these financial assets represent the maximum credit exposure. The Company manages credit risk by placing its cash with major financial institutions in conservative cash-based liquid investments. Reclamation bonds are held with state or provincial government authorities. The Company monitors its exposure to credit risk on an ongoing basis.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is forecasting cash used in operations and anticipating investing and financing activities.

Accounts payable have maturities of 90 days or less and are subject to normal trade terms. Loans payable are due on demand.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The risks to which the Company is exposed are:

i) Interest rate risk

The Company is not exposed to significant interest rate risk.

(Expressed in Canadian Dollars)

3. Risk Management and Financial Instruments *(continued)*

ii) Foreign currency risk

The Company's functional currency is the Canadian dollar. Consequently, fluctuations of the Canadian dollar in relation to other currencies impact the fair value of financial assets and liabilities and operating results. The Company does not manage currency risks through hedging or other currency management tools.

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

Fair value

Financial instruments that are measured at fair value using inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

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

Cash (cash indebtedness) is measured using level 1 of the fair value hierarchy.

Given that they will mature shortly, the fair value of accounts payable and accrued liabilities and loans payable approximate their carrying value.

4. Exploration and Evaluation Assets

Expenditures incurred on exploration and evaluation assets are as follows:

	Zeus	Total
Balance, July 31, 2020	**$ 13,646**	**$ 13,646**
Acquisition:		
Staking	8,000	8,000
Balance, July 31, 2021 and 2022	**$ 21,646**	**$ 21,646**

4. Exploration and Evaluation Assets *(continued)*

Title to Exploration and Evaluation Assets

Although the Company has taken steps to verify the title to exploration and evaluation assets 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 or transfers and title may be affected by undetected defects.

Canadian Exploration and Evaluation Assets

Zeus, British Columbia

The Company has a 100% interest in the Zeus claims located near Lillooet, British Columbia. The claims are subject to a 2% Net Smelter Return ("NSR"), which may be purchased for $500,000 per 1% NSR.

Franelle Copper, Quebec

On September 16, 2021, the Company entered into an option agreement to acquire a 100% interest in the Franelle Copper Project, a 31 square kilometre contiguous property located 90 kilometres northwest of Schefferville, Quebec, from Messrs. Fayz and Ramy Yacoub, arm's length parties. The transaction remains subject to regulatory approval.

The Company will be required to make the following consideration:

Cash consideration

i) cash payment of $25,000 on signing of the agreement (paid).
ii) cash payment of $25,000 within 15 days from execution of the agreement (paid).
iii) cash payment of $50,000 on or before August 31, 2022 (not paid subsequently).
iv) cash payment of $50,000 on or before August 31, 2023.
v) cash payment of $50,000 on or before August 31, 2024.
vi) cash payment of $50,000 on or before August 31, 2025.
vii) cash payment of $50,000 on or before August 31, 2026.

Share issuance

i) issuance of 500,000 common shares within 15 days from execution of the agreement (pending regulatory approval).
ii) issuance of 500,000 common shares on or before August 31, 2022 (not issued subsequently).
iii) issuance of 500,000 common shares on or before August 31, 2023.
iv) issuance of 500,000 common shares on or before August 31, 2024.
v) issuance of 500,000 common shares on or before August 31, 2025.
vi) issuance of 500,000 common shares on or before August 31, 2026.

Exploration expenditures (1)

i) incur exploration expenditures of $250,000 on or before August 31, 2022 (not completed subsequently)
ii) incur exploration expenditures of $250,000 on or before August 31, 2023.
iii) incur exploration expenditures of $250,000 on or before August 31, 2024.
iv) incur exploration expenditures of $250,000 on or before August 31, 2025.
v) incur exploration expenditures of $250,000 on or before August 31, 2026.
vi) incur exploration expenditures of $3,750,000 on or before August 31, 2026.

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets *(continued)*

Canadian Exploration and Evaluation Assets *(continued)*

Franelle Copper, Quebec *(continued)*

(1) In the event that the exploration expenditure exceeds the amount required to be expended by each applicable period, the excess will be applied as a credit to the subsequent period. In the event that the exploration expenditures fall short of the amount required to be expended by each applicable period, the Company has an option to cure the default by making a payment equal to 10% of the amount of any shortfall for the applicable period.

The vendor retains a 2.0% Net Smelter Return ("NSR") royalty

During the year ended July 31, 2022, the Company incurred $73,996 of costs related to the property which have been recorded to project investigation costs on the statement of loss and comprehensive loss.

5. Reclamation Bonds

The Company has posted security deposits of $23,000 (2021 - $23,000) with the British Columbia government to cover potential reclamation costs for certain properties in British Columbia. These deposits earn interest at a nominal rate.

6. Accounts payable

Accounts payables and accrued liabilities for the Company are broken down as follows:

		July 31, 2022		July 31, 2021
Trade payable	$	473,401	$	283,366
Accrued liabilities		16,000		18,625
Total	$	489,401	$	301,991

During the year ended July 31, 2022, the Company wrote off outstanding debt of $139,028 (2021 - $21,208) due to amounts payable to certain vendors which exceeded the statute of limitation with arm's length vendors.

7. Loans Payable

During the year ended July 31, 2022, the Company received $130,634 (2021 - $36,960) in non-interest-bearing loans through multiple tranches for working capital purposes and the total outstanding loans were $298,809 (2021 - $220,164).

The Company wrote-off $51,989 of loans payable to certain vendors during the year ended July 31, 2022.

At July 31, 2022, the following loans were outstanding:

i) a total of $nil (2021 - $1,452) of previously accrued interest remains owing on a $39,492 loan, the principal of which has been repaid.

ii) a total of $nil (2021 - $26,334) remains owing on a loan bearing interest at a rate of 8% per annum.

iii) a total of $130,634 relating of additional loan proceeds were received during the year ended July 31, 2022 which were unsecured, non-interest bearing and due on demand. As of July 31, 2022, a total of $283,809 (2021 - $177,378) was still owing, the balances of which were unsecured, non-interest bearing and due on demand.

iv) a total of $15,000 (2021 - $15,000) was due to the CFO of the Company, of which the amount is non-interest bearing and due on demand (Note 9).

8. Indemnification provision

The Company raised capital through the issuance of flow-through shares in 2014, which provided indemnity to the shareholders for additional taxes payable if the Company was unable to, or failed to, expend and renounce the qualifying expenditures as agreed, without limiting the recourse of the subscriber. The Company was not able to spend approximately $17,067 of the flow-through funds raised. Accordingly, the Company is exposed to costs for the indemnification of the shareholders. The Company estimated the potential shareholder indemnification liability in the amount of $18,000 During the year ended July 31, 2022, the Company wrote-down the indemnification provision to $nil.

9. Share Capital

Authorized

The Company has an unlimited number of common shares without par value authorized for issuance.

Shares Issued

During the year ended July 31, 2022, and 2021, the Company had no share activity.

Stock Options

As at July 31, 2022, the Company has a stock option plan (the “Plan") in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option shall not be less than the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years and vest as determined by the board of directors.

(Expressed in Canadian Dollars)

9. Share Capital *(continued)*

Stock Options *(continued)*

The following table provides information about outstanding and exercisable stock options as at July 31, 2022:

Expiry Date	Exercise Price	Balance 31-Jul-20	Granted	Expired/ Forfeited	Balance 31-Jul-201	Granted	Expired/ Forfeited	Balance 31-Jul-22	Exercisable 31-Jul-22
July 29, 2025	$ 0.05	2,260,000	-	-	2,260,000	-	-	2,260,000	2,260,000
Totals		2,260,000	-	-	2,260,000	-	-	2,260,000	2,260,000
Weighted Average Exercise Price		**$0.05**	**-**	**-**	**$0.05**	**-**	**-**	**$0.05**	**$0.05**

(Expressed in Canadian Dollars)

9. Share Capital *(continued)*

Warrants

The following summarizes the transactions and number of outstanding and exercisable share purchase warrants, including finder's warrants.

Expiry Date	Exercise Price	Balance 31-Jul-20	Expired	Balance 31-Jul-21	Expired	Balance 31-Jul-22
July 4, 2022	$ 0.15	14,081,207	-	14,081,207	(14,081,207)	-
July 4, 2022	$ 0.15	40,000	-	40,000	(40,000)	-
Totals		**14,121,207**	**-**	**14,121,207**	**(14,121,207)**	**-**
Weighted Average Exercise Price		**$0.15**	**-**	**$0.15**	**$0.15**	**-**

10. Related Party Transactions and Key Management Compensation

Key management compensation includes all fees paid or accrued to officers and/or directors described in this note. Except as disclosed elsewhere in these financial statements, related party transactions incurred during the year ended July 31, 2022 were as follows:

Management fees totaling $60,000 (2021 - $30,000), and office and general expenses of $nil (2021 - $30,000) were accrued to a company owned by the CEO, who is also a director of the Company. As of July 31, 2022, the balance owing to the CEO was $356,775 (2021 - $348,247).

Management fees totaling $36,000 (2021 - $36,000) were accrued to a company owned by the CFO, who is also a director of the Company. As of July 31, 2022, the balance owing to the CFO was $189,000 (2021 - $151,200).

Consulting fees totaling $120,000 (2021 - $120,000) were accrued to a related party of management. As of July 31, 2022, the balance owing to this company was $252,000 (2021 - $126,000) and is included in accounts payable and accrued liabilities.

As of July 31, 2022, advances owing to a company owned by the CEO was $9,490 (2021 – $11,871) and is included in due to related parties.

During the year ended July 31, 2021, the Company received advances of $5,000 from the CFO. As of July 31, 2022, the loan outstanding owing to the CFO was $15,000 (2021 – $15,000) and is included in loans payable (Note 7).

As at July 31, 2022, total amounts due to related parties was $555,265 (2021 - $511,318). Amounts due to related parties are unsecured, non-interest bearing and are due on demand.

(Expressed in Canadian Dollars)

11. Supplemental Cash Flow Information

	July 31, 2022	July 31, 2021
Non-Cash Investing and Financing Activities:		
Accounts payable for exploration and evaluation asset costs	$ 13,323	$ 40,666

During the year ended July 31, 2021, the Company assigned $76,883 of accounts payable to loans payable pursuant to a debt assignment agreement which were unsecured, non-interest bearing and due on demand.

12. Capital Management

The Company's objectives when managing capital are to ensure that there are adequate resources to sustain operations and to continue as a going concern, to maintain adequate levels of funding to support acquisition and exploration of mineral projects, to maintain investor and market confidence, and to provide returns to shareholders. Funds are primarily secured through equity capital raised by way of private placements.

Exploration involves a high degree of risk and substantial uncertainties about the ultimate ability of the Company to achieve positive cash flow from operations. Management primarily funds the Company's exploration by issuing share capital rather than using other capital sources that require fixed repayments of principal or interest.

The Company considers the items included in share capital to be capital and it manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Management evaluates capital requirements and considers the availability of capital, investor sentiment and the market in general on an on-going basis.

The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended July 31, 2022.

13. Segmented Disclosure

The Company operates in one operating segment, mineral exploration. All of the Company's assets are located in Canada.

(Expressed in Canadian Dollars)

14. Income taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2022	2021
Loss for the year	$ (310,959)	$ (264,258)
Expected income tax (recovery)	$ (84,000)	$ (71,000)
Change in statutory, foreign exchange rates and other	1,000	(1,000)
Change in unrecognized deductible temporary differences	83,000	72,000
Total income tax expense (recovery)	$ -	$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2022	2021
Deferred Tax Assets		
Exploration and evaluation assets	$ 310,000	$ 310,000
Property and equipment	37,000	37,000
Non-capital losses available for future periods	2,874,000	2,791,000
Unrecognized deferred tax assets	$ 3,221,000	$ 3,138,000

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial statement are as follows:

	2022	Expiry Date Range	2021	Expiry Date Range
Temporary Differences				
Exploration and evaluation assets	$ 1,149,000	No expiry date	$ 1,149,000	No expiry date
Property and equipment	$ 138,000	No expiry date	$ 138,000	No expiry date
Non-capital losses available for future periods	$ 11,276,000	2026 to 2042	$ 10,965,000	2026 to 2041

Tax attributes are subject to review, and potential adjustment, by tax authorities.

15. Subsequent events

Subsequent to July 31, 2022, the Company:

a) Entered into an option agreement, dated effective August 17, 2022, pursuant to which the Company will acquire from an arm's-length third party, the right to earn a 90% interest, subject to a 2% net smelter returns royalty, in the Matabitchuan cobalt project, a 9,664-hectare contiguous property located roughly 50 kilometres south of Cobalt, Ont. The transaction represents a fundamental acquisition for the Company in accordance with the rules of the TSX Venture Exchange and will replace the proposed transaction involving Franelle Copper Project which had been previously identified by the Company. The Company is currently reviewing the Franelle Copper Project and establishing whether to proceed under renegotiated terms or terminate the agreement.

The Agreement

The Company can earn a 90% interest in the Project, subject to a 2% net smelter returns royalty (the "Royalty") by meeting the following terms:

- Issuing an aggregate of 4,000,000 shares of the Company (the "Shares"), and $140,000 in cash payments and $400,000 in cash or Shares payments to the Optionor on or before the dates set out below:
  - 500,000 Shares and $50,000 in cash within five Business Days after receipt of the approval of the TSX Venture Exchange for the Transaction (the "TSXV Approval");
  - an additional 750,000 Shares and $90,000 in cash on or before the first anniversary date of TSXV Approval;
  - an additional 750,000 Shares and $100,000 on or before the second anniversary date of TSXV Approval as set out below:
    - in Shares, if the Company's cash balance is below $400,000 five business days before the second anniversary date or in cash, if the Company's cash balance is above $400,000 five business days before the second anniversary date;
  - an additional 1,000,000 Shares and $140,000 on or before the third anniversary date of TSXV Approval as set out below:
    - in Shares, if the Company's cash balance is below $400,000 five business days before the third anniversary date or in cash, if the Company's cash balance is above $400,000 five business days before the third anniversary date; and
  - an additional 1,000,000 Shares and $160,000 on or before the fourth anniversary date of TSXV Approval as set out below:
    - in Shares, if the Company's cash balance is below $400,000 five business days before the fourth anniversary date or in cash, if the Company's cash balance is above $400,000 five business days before the fourth anniversary date.
- Incurring $1,525,000 in exploration expenditures on the Property as follows:
  - $125,000 in expenditures on or before May 15th, 2023;
  - $250,000 in additional expenditures on or before May 15th, 2024;
  - $300,000 in additional expenditures on or before May 15th, 2025;
  - $350,000 in additional expenditures on or before May 15th, 2026; and
  - $500,000 in additional expenditures on or before May 15th, 2027.

Following the exercise of the option, the Company will grant the Royalty to the vendor of the Project. The Company can purchase 50% (or 1%) of the Royalty at any time for a one-time payment of $500,000 in cash and $1,000,000 in Shares for a total value of $1,500,000.

15. Subsequent events *(continued)*

Following the exercise of the option, the parties intend to negotiate the terms of a joint venture arrangement to advance development of the Property. Such arrangement is expected to include a mechanism by which expenditures on the Property will be funded on a pro rata basis, with interests diluted in the event a party elects not to fund; a mechanism for preparing and approving a budget and work program in respect of the Project; and the ongoing management of the joint venture.

Eldridge Pubelow Property

Concurrently with the entering into of the Agreement, the Company has also entered into an agreement with two arms-length parties to acquire a 100% interest in and to a series of mineral claims surrounded by the Project and commonly known as the Eldridge Pubelow Property (the "Eldridge Pubelow Property"). The Company can acquire the Eldridge Pubelow Property, subject to a 2% net smelter returns royalty, by issuing an aggregate of 800,000 Shares and paying $80,000 as follows:

- 250,000 Shares and $10,000 cash within five Business Days after receipt of the TSXV Approval;
- an additional 250,000 Shares and $20,000 cash on or before the first anniversary date of TSXV Approval; and
- an additional 300,000 Shares and $50,000 cash on or before the second anniversary date of TSXV Approval.

Following the exercise of the option, the Company will grant a net smelter returns royalty to the vendor of the Project. The Company can purchase 50% (or 1%) of the Royalty at any time for a one-time payment of cash totaling $1,000,000.

In the event the Company acquires the Eldridge Pubelow Property, and subsequently completes a resource estimate on the property, the vendors will be eligible to receive an additional bonus payment of $75,000 payable in Shares or cash.

No finders' fees or commissions are payable in connection with completion of the Transaction or the acquisition of Eldridge Pubelow Property.

Closing

Closing of the Transaction remains subject to the completion of a technical report in respect of the Project, completion of the Offering, and the approval of the TSX Venture Exchange. The Transaction cannot be completed until approval of the TSX Venture Exchange is received.

15. Subsequent events *(continued)*

b) Entered into an option agreement, dated effective August 31, 2022, pursuant to which the Company will acquire from an arm's-length third party, the right to earn a 100%, subject to a 2% net smelter returns royalty, in the Cooper Lake and Golden Lake properties located roughly 50 kilometres south of Cobalt, Ont. The transaction will be included as part of the Company's option to earn a 90% interest in the Matabitchuan cobalt project and a 100% interest in the Eldridge Pubelow property, as announced by the Company on August 23, 2022; together, the transactions constitute a fundamental acquisition in accordance with the rules of the TSX Venture Exchange (TSX-V).

The agreement

The Company can earn a 100% interest in the property, subject to a 2% net smelter returns royalty, by issuing an aggregate of 400,000 common shares and making $40,000 in cash payments to the optionor on or before the dates set out below:

- 125,000 shares and $5,000 in cash within five business days after receipt of the approval of the agreement from the TSX-V;
- An additional 125,000 shares at market value and $10,000 in cash on or before the first anniversary date of the TSX-V approval;
- An additional 150,000 shares at market value and $25,000 in cash on or before the second anniversary date of the TSX-V approval.

Following the exercise of the option, the Company will grant the royalty to the vendor of the property. The Company can purchase 50% (or 1%) of the royalty at any time for a one-time payment of $1,000,000 in cash.

Closing

Closing of the transaction remains subject to the completion of a technical report in respect of the property, completion of the offering, and the approval of the TSX-V. The transaction cannot be completed until approval of the TSX-V is received. All common shares issuable by the Company in connection with the share payments will be subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws.