



(A Development Stage Enterprise)

**Condensed Interim Financial Statements  
For the nine months ended September 30, 2022**

(Stated in Canadian Dollars)

**Responsibility for Financial Statements**

The accompanying financial statements for Metals Creek Resources Corp. have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) consistently applied. Only changes in accounting policies have been disclosed in these unaudited condensed interim financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim financial statements for the period ended September 30, 2022.

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**METALS CREEK RESOURCES CORP.**  
(A Development Stage Enterprise)

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September 30, 2022 and 2021

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**METALS CREEK RESOURCES CORP.**

(A Development Stage Enterprise)

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION****(Prepared by Management)**

	September 30, 2022 \$ (Unaudited)	December 31, 2021 \$ (Audited)
<b>ASSETS</b>		
Current		
Cash	653,420	-
Cash – restricted (note 5)	-	1,085,130
Short term investments (notes 3 and 5)	270,666	1,586,375
Short term investments – restricted (notes 3 and 5)	-	366,470
H.S.T. and other receivables	9,283	203,092
Staking security deposits (note 12)	-	23,900
Prepaid expenses	37,103	95,976
	<b>970,472</b>	3,360,943
Property and equipment (note 4)	77,473	98,408
Long term investments (note 6)	721,303	1,454,272
Exploration and evaluation assets (note 7)	12,466,542	10,269,049
	<b>14,235,790</b>	15,182,672
<b>LIABILITIES AND EQUITY</b>		
Current		
Accounts payable and accrued liabilities (note 10)	131,308	470,458
Current portion of lease liability (note 9)	12,964	11,906
Deferred premium on flow-through shares (note 8(vi))	-	324,404
	<b>144,272</b>	806,768
Lease liability (note 9)	12,541	22,400
	<b>156,813</b>	829,168
<b>Equity</b>		
Share Capital (note 8)	18,280,720	17,418,193
Reserves (note 8)	10,909,586	10,664,878
Deficit	(15,111,329)	(13,729,567)
	<b>14,078,977</b>	14,353,504
	<b>14,235,790</b>	15,182,672

*Nature and Continuation of Operations – Note 1*  
*Commitments – Notes 7 and 14*

*These financial statements are authorized for issue by the Board of Directors on October 27, 2022. They are signed on the Corporation's behalf by:*

“Alexander Stares” Director  
“Nick Tsimidis” Director

**METALS CREEK RESOURCES CORP.**

(A Development Stage Enterprise)

**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS****(Prepared by Management – Unaudited)**

	<b>Three Months Ended Sept. 30, 2022 \$</b>	<b>Three Months Ended Sept. 30, 2021 \$</b>	<b>Nine Months Ended Sept. 30, 2022 \$</b>	<b>Nine Months Ended Sept. 30, 2021 \$</b>
<b>EXPENSES</b>				
Business development	32,273	62,307	111,354	127,517
Depreciation	8,885	4,445	24,985	13,335
Office and general	22,410	22,043	109,036	102,406
Professional fees (note 10)	9,359	19,593	34,548	39,793
Consultants (note 10)	3,000	4,500	73,758	34,369
Salaries and benefits	92,508	66,103	246,968	204,758
Share-based payments (note 8(iii))	278,372	278,372	394,715	502,361
Write-down of exploration and evaluation assets	43,917	-	43,917	-
Pre-acquisition exploration and evaluation expenses	15,397	2,400	64,853	12,977
	(506,121)	(459,763)	(1,104,134)	(1,037,516)
Loss before the following:	(506,121)	(459,763)	(1,104,134)	(1,037,516)
Gain on sale of investments (note 6)	-	-	5,005	9,455
Gain on sale or option of exploration and evaluation assets, net	22,500	619,000	70,750	641,403
Interest and investment income	1,211	3,576	4,262	7,491
Other income	-	-	-	1,642
Adjustment to fair value for fair value through profit and loss investments	(145,960)	(966,310)	(682,049)	(481,776)
<b>Loss before deferred tax recovery</b>	(628,370)	(803,497)	(1,706,166)	(859,301)
Deferred tax recovery – flow-through (note 8(vi))	-	129,300	324,404	363,799
<b>Loss and comprehensive loss for the period</b>	(628,370)	(674,197)	(1,381,762)	(495,502)
<b>Loss per share – basic and diluted (note 13)</b>	(0.00)	(0.00)	(0.01)	(0.00)
<b>Weighted Average Shares Outstanding – basic and diluted</b>	149,612,266	134,698,686	145,601,832	124,165,055

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

**METALS CREEK RESOURCES CORP.**

(A Development Stage Enterprise)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY****(Prepared by Management – Unaudited)****For the nine months ended September 30, 2022 and 2021**

	<u>Share Capital</u>		<u>Reserves</u>		<u>Deficit</u>	<u>Total</u>
	<u>Number of Shares</u>	<u>Share Capital</u>	<u>Warrants</u>	<u>Equity Settled Benefits</u>		
	<u>#</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
<b>Balance, December 31, 2020</b>	<b>100,698,968</b>	<b>14,692,493</b>	<b>479,463</b>	<b>7,564,010</b>	<b>(13,402,571)</b>	<b>9,333,395</b>
Share-based payments	-	-	-	502,361	-	502,361
Issued for cash:						
Private placement	27,996,602	2,207,750	1,747,447	-	-	3,955,197
Share issue costs	-	(170,175)	-	-	-	(170,175)
Flow-through share premium (note 8(vi))	-	(875,571)	-	-	-	(875,571)
Issued upon exercise of warrants	3,702,567	368,018	(70,688)	-	-	297,330
Issued upon exercise of stock options	425,000	70,180	-	(29,930)	-	40,250
Issued in connection with property option agreements	2,000,000	350,000	-	-	-	350,000
Expiration of warrants during period	-	-	(4,918)	4,918	-	-
Loss and comprehensive loss for the period	-	-	-	-	(495,502)	(495,502)
<b>Balance, September 30, 2021</b>	<b>134,823,137</b>	<b>16,642,695</b>	<b>2,151,304</b>	<b>8,041,359</b>	<b>(13,898,073)</b>	<b>12,937,285</b>
<b>Balance, December 31, 2021</b>	<b>142,535,137</b>	<b>17,418,193</b>	<b>2,482,200</b>	<b>8,182,678</b>	<b>(13,729,567)</b>	<b>14,353,504</b>
Share-based payments	-	-	-	394,715	-	394,715
Issued for cash:						
Issued upon exercise of warrants	7,077,129	862,527	(150,007)	-	-	712,520
Expiration of warrants during the period	-	-	(172,047)	172,047	-	-
Loss and comprehensive loss for the period	-	-	-	-	(1,381,762)	(1,381,762)
<b>Balance, September 30, 2022</b>	<b>149,612,266</b>	<b>18,280,720</b>	<b>2,160,146</b>	<b>8,749,440</b>	<b>(15,111,329)</b>	<b>14,078,977</b>

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

**METALS CREEK RESOURCES CORP.**

(A Development Stage Enterprise)

**CONDENSED INTERIM STATEMENTS CASH FLOWS****(Prepared by Management – Unaudited)**

	<b>Nine Months Ended Sept. 30, 2022 \$</b>	<b>Nine Months Ended Sept. 30, 2021 \$</b>
<b>CASH FLOWS FROM (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Loss and comprehensive loss for the period	(1,381,762)	(495,502)
Items not requiring an outlay of cash:		
Deferred tax recovery – flow-through	(324,404)	(363,799)
Depreciation	24,985	13,335
Share-based payments	394,715	502,361
Adjustment to fair value for fair value through profit and loss investments	682,049	481,776
Write-down of exploration and evaluation assets	43,917	-
Imputed interest on lease liability	2,495	3,438
Gain on sale of long-term investments	(5,005)	(9,455)
Gain on sale of exploration and evaluation assets	(70,750)	(641,403)
Change in non-cash working capital items:		
Decrease in H.S.T. and other receivables	193,809	23,949
Decrease (increase) in prepaid expenses	58,873	(116,839)
Increase (decrease) in accounts payable and accrued liabilities	(339,150)	350,188
Cash flows used in operating activities	(720,228)	(251,951)
<b>FINANCING ACTIVITIES</b>		
Payments on lease liability	(11,295)	(11,295)
Redemption (purchase) of short-term investments	1,682,178	(2,523,900)
Issuance of capital stock for cash in private placements	-	3,955,197
Proceeds from exercise of warrants	712,520	297,330
Proceeds from exercise of stock options	-	40,250
Share issue costs – cash commissions and expenses	-	(170,175)
Cash flows from financing activities	2,383,403	1,587,407
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in staking security deposits	23,900	(23,900)
Expenditures on exploration and evaluation assets	(2,241,410)	(1,801,089)
Expenditure recoveries on exploration and evaluation assets	-	10,228
Proceeds on sale of exploration and evaluation assets	10,000	20,000
Net proceeds on sale of long-term investments	116,675	74,735
Purchase of property and equipment	(4,050)	(3,511)
Cash flows used in investing activities	(2,094,885)	(1,723,537)
Decrease in cash	(431,710)	(388,081)
Cash – beginning of period	1,085,130	569,384
Cash – end of period	653,420	181,303
Supplemental cash flow information (note 11)		

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

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**METALS CREEK RESOURCES CORP.**

(A Development Stage Enterprise)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

September 30, 2022

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**1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS**

Metals Creek Resources Corp. (the “Company”) was incorporated on June 21, 2004 under the Business Corporations Act (Ontario). The Company’s head office is located at 945 Cobalt Crescent, Thunder Bay, Ontario, Canada, P7B 5Z4.

The Company is an exploration stage company and is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The accompanying financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability of the Company to raise additional capital. Specifically, the recovery of the Company’s investment in exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop its properties and establish future profitable production from the properties, or from the proceeds of their disposition. The Company has working capital in the amount of \$826,200 (December 31, 2021 - \$2,554,175) and has a deficit in the amount of \$15,111,329 (December 31, 2021 - \$13,729,567). The Company has not earned any significant revenues to date and is considered to be in the exploration stage.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB (“International Accounting Standards Board”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 - Interim Financial Reporting. The accounting policies followed in these condensed interim financial statements are the same as those applied in the Company’s audited annual financial statements for the year ended December 31, 2021.

The policies applied in these financial statements are based on IFRS issued and outstanding as of October 27, 2022, the date the Board of Directors approved the statements. Any subsequent changes to IFRS after this date could result in changes to the financial statements for the year ended December 31, 2022.

The condensed interim financial statements do not contain all disclosures required under IFRS and should be read in conjunction with Company’s audited annual financial statements and the notes thereto for the year ended December 31, 2021.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, allocation of financing proceeds, and income taxes. Differences may be material.

### 3. SHORT TERM INVESTMENTS:

	September 30, 2022 \$	December 31, 2021 \$
Money Market Mutual Funds	270,666	1,952,845
Less: Restricted for flow-through purposes (note 5)	-	(366,470)
	<u>270,666</u>	<u>1,586,375</u>

These funds are available for exploration and evaluation expenditures and operations upon the request of the Company.

The money market mutual funds consist of fully liquid, managed money market fund units that yield regular monthly dividends at market rates.

### 4. PROPERTY AND EQUIPMENT

	Cost	Acc. Depr.	Sept. 30, 2022 Net
Computer equipment	\$ 39,499	\$ 33,637	\$ 5,862
Furniture and fixtures	13,467	12,901	566
Computer software	63,020	63,020	-
General equipment	40,665	33,746	6,919
Automobile	121,968	81,146	40,822
Leasehold improvements	4,812	4,812	-
Right-of-use assets – office (i)	48,634	25,330	23,304
	<u>\$ 332,065</u>	<u>\$ 254,592</u>	<u>\$ 77,473</u>

	Cost	Acc. Depr.	Dec. 31, 2021 Net
Computer equipment	\$ 35,449	\$ 30,944	\$ 4,505
Furniture and fixtures	13,467	12,801	666
Computer software	63,020	63,020	-
General equipment	40,665	32,525	8,140
Automobile	121,968	69,294	52,674
Leasehold improvements	4,812	4,812	-
Right-of-use assets – office (i)	48,634	16,211	32,423
	<u>\$ 328,015</u>	<u>\$ 229,607</u>	<u>\$ 98,408</u>

(i) The Company's leased assets include its office premises. Amounts related to leased assets included in profit in loss include:

	Sept. 30, 2022 \$	Sept. 30, 2021 \$
Interest on lease liabilities	2,495	3,438
Depreciation charge – right-of-use assets	9,119	9,119



## 5. RESTRICTION ON THE USE OF CASH AND CASH EQUIVALENTS

During the year ended December 31, 2021, the Company issued common shares that were designated as being flow-through shares. One of the conditions of issuing flow-through shares is that the Company is required to retain the gross proceeds for the exclusive purpose of paying for qualified Canadian exploration expenditures associated with its exploration and evaluation assets.

	September 30, 2022	December 31, 2021
Restriction on use of cash and cash equivalents, beginning of year	\$ 1,451,600	\$ 363,959
Settlement of share subscription proceeds receivable	-	-
Gross proceeds received upon issuance of flow-through shares	-	4,292,531
Qualified exploration expenditures paid from these funds during year	(1,451,600)	(3,204,890)
Restriction on use of cash and cash equivalents, end of period	<u>\$ -</u>	<u>\$ 1,451,600</u>
Restriction on cash and cash equivalents consists of:		
Cash	-	1,085,130
Short term investments	-	366,470
	<u>-</u>	<u>1,451,600</u>

## 6. LONG TERM INVESTMENTS

	September 30, 2022			December 31, 2021		
	Number of Shares #	Market \$	Cost \$	Number of Shares #	Market \$	Cost \$
<b>Canadian Equities</b>						
Americas Silver Corporation (i)	953	553	21,249	953	972	21,249
Sokoman Minerals Corp. (ii)	900,000	207,000	204,133	1,000,000	345,000	226,818
Xmet Inc. (iii)	2,300,000	-	83,500	2,300,000	-	83,500
Thunder Gold Corp. (iv)	500,000	22,500	19,750	500,000	47,500	19,750
Benton Resources Inc. (v)	213,000	15,975	11,107	250,000	40,000	13,036
Signal Gold Inc. (vi)	20,000	7,800	5,133	40,000	25,200	10,133
Trifecta Gold Ltd. (vii)	1,000,000	45,000	260,000	1,000,000	90,000	260,000
Quadro Resources Ltd. (viii)	4,725,000	118,125	435,500	3,825,000	191,250	413,000
O3 Mining Inc. (ix)	-	-	-	5,000	10,350	12,000
Manning Ventures Inc. (x)	1,400,000	63,000	154,000	1,400,000	140,000	154,000
Magna Terra Minerals Inc. (vi)	350,000	14,000	115,500	350,000	49,000	115,500
General Copper Gold Corp. (xi)	200,000	28,000	32,000	200,000	40,000	32,000
Class 1 Nickel and Tech. Ltd (xii)	1,089,000	163,350	522,720	1,250,000	475,000	600,000
Golden Sky Minerals Corp. (xiii)	150,000	36,000	38,250	-	-	-
		<u>721,303</u>	<u>1,902,842</u>		<u>1,454,272</u>	<u>1,960,986</u>

- (i) The shares of Americas Silver Corporation (TSX:USA) were received from Spruce Ridge originally as shares of RX Gold & Silver (which later merged with U.S. Gold & Silver Inc.) as a dividend-in-kind based on the Company's pro-rata ownership of Spruce Ridge and are valued at the September 30, 2022 closing price of \$0.58 per common share (December 31, 2021 - \$1.02).
- (ii) The shares of Sokoman Minerals Corp. (formerly Sokoman Iron Corp.) (TSX-V: SIC) are valued at the September 30, 2022 closing price of \$0.23 (December 31, 2021 - \$0.345). During the period ended September 30, 2022, the Company disposed of 100,000 shares of Sokoman for gross proceeds of \$37,750 and recorded a loss of \$250 in the current period. During the year ended December 31, 2021, the Company disposed of 146,000 shares of Sokoman Minerals Corp. for gross proceeds of \$41,535. A gain on disposal of \$655 was recorded in income in the previous year.

- (iii) The shares of Xmet Inc. (“Xmet”) held by the Company are valued at nil at September 30, 2022 (December 31, 2021 - nil) as the shares were downgraded to the NEX Exchange. The common shares of Xmet formerly traded on the TSX Venture Exchange under the symbol “XME”.
- (iv) The shares of Thunder Gold Corp. (formerly White Metal Resources Corp. (TSX-V: TGOL) are valued at the September 30, 2022 closing price of \$0.045 per share (December 31, 2021- \$0.095).
- (v) The shares of Benton (TSX-V: BEX) currently held by the Company are valued at the September 30, 2022 closing price of \$0.075 per share (December 31, 2021 - \$0.16). During the period ended September 30, 2022 the Company disposed of 37,000 shares of Benton for gross proceeds of \$8,015 and recorded a gain on disposition of \$245 during the current period.
- (vi) The shares of Signal Gold Inc. (“Signal”) (TSX: SGNL) (formerly Anaconda Mining Inc.) are valued at the September 30, 2022 closing price of \$0.39 per share (December 31, 2021 - \$0.63). During the period ended September 30, 2022, the Company disposed of 20,000 shares of Signal for gross proceeds of \$14,200 and recorded a gain of \$400 in the current period. During the year ended December 31, 2021, the Company disposed of 40,000 shares of Anaconda for gross proceeds of \$32,000. The Company recorded a gain on disposition of \$8,800 in the previous year. In addition, the Company received 350,000 shares of Magna Terra Minerals Inc. (TSX-V: MTT) pursuant to the Jackson’s Arm option. These shares were valued at the September 30, 2022 closing price of \$0.04 per share (December 31, 2021 - \$0.14).
- (vii) The shares of Trifecta Gold Ltd. (“Trifecta”) (TSX-V: TG) are valued at the September 30, 2022 closing price of \$0.045 per share (December 31, 2021 - \$0.09).
- (viii) The 4,725,000 shares of Quadro Resources Ltd. (“Quadro”) (TSX-V: QRO) are valued at the September 30, 2022 closing price of \$0.025 per share (December 31, 2021 - \$0.05). The shares were received pursuant to the Company’s disposition of its 50% interest in the Staghorn gold project in Newfoundland and a 33.3% interest in claims on the Great Northern Peninsula in Newfoundland. The Company received an additional 900,000 shares of Quadro (included within the 4,725,000 shares referenced above) during the period ended September 30, 2022, pursuant to a second anniversary option payment on the Careless Cove and Jackson’s Arm properties held by the Company.
- (ix) During the period ended September 30, 2022, the Company disposed of its remaining 5,000 shares of O3 Mining Inc. for gross proceeds of \$11,800 and recorded a loss on disposition of \$50 during the current period. During the year ended December 31, 2021, the Company disposed of 30,000 shares of O3 Mining Inc. for gross proceeds of \$60,120. The Company recorded a gain on disposition of \$1,620 in the previous year.
- (x) The shares of Manning Ventures Inc. (CSE: MANN) are valued at the September 30, 2022 closing price of \$0.045 per share (December 31, 2021 - \$0.10). The shares were received pursuant to the Company’s option agreements with Manning on the Yukon property and the Flint Lake JV.
- (xi) The shares of General Copper Gold Corp. (formerly General Gold Resources Inc.) (TSX-V – GGLD) are valued at the September 30, 2022 closing price of \$0.14 per share (December 31, 2021 - \$0.20). The shares were received pursuant to the Company’s option agreement on the Clark’s Brook property (see note 7(d)).
- (xii) The shares of Class 1 Nickel and Technologies Limited (“Class 1”) (CSE: NICO) are valued at the September 30, 2022 closing price of \$0.15 per share (December 31, 2021 - \$0.38). The shares were received pursuant to the Company’s sale of its 100% interest in claims located in the River Valley area of Ontario (see note 7(d)). During the period ended September 30, 2022, the Company disposed of 161,000 shares of Class 1 for gross proceeds of \$44,910 and recorded a gain on disposition of \$4,660 during the current period.
- (xiii) The shares of Golden Sky Minerals Corp. (TSX-V – AUEN) are valued at the September 30, 2022 closing price of \$0.24 per share. The shares were received pursuant to the Company’s option of its 100% interest in its Squid East claims located in the Yukon (see note 7(d)).

## **7. EXPLORATION AND EVALUATION ASSETS**

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with each property for the period ended September 30, 2022 and year ended December 31, 2021 is summarized in the tables below:

**For the nine months ended September 30, 2022**

		<b>Flint Lake (a)</b>	<b>Ogden (b)</b>	<b>Dona Lake (c)</b>	<b>Other (d)</b>	<b>Total</b>
<b>Dec. 31, 2021 - Acquisition Costs</b>	\$	-	556,207	463,750	18,433	1,038,390
						-
Additions					24,681	24,681
Writedowns/Recoveries					(31,520)	(31,520)
<i>Subtotal</i>	\$	-	-	-	(6,839)	(6,839)
<b>Sept. 30, 2022 - Acquisition Costs</b>	\$	-	<b>556,207</b>	<b>463,750</b>	<b>11,594</b>	<b>1,031,551</b>
<b>Dec. 31, 2021 - Exploration and Evaluation Expenditures</b>	\$	10,857	6,183,727	3,007,197	28,878	9,230,659
Assaying			20,322	16,600		36,922
Prospecting					2,951	2,951
Geological			27,642	14,430	7,681	49,753
Geophysical			128,820	596		129,416
Line Cutting						-
Trenching						-
Diamond Drilling			834,150	1,137,541		1,971,691
Miscellaneous						-
Aboriginal Consultation				25,996		25,996
Road Building/Maintenance						-
Writedowns/Recoveries					(12,397)	(12,397)
<i>Subtotal</i>	\$	-	1,010,934	1,195,163	(1,765)	2,204,332
<b>Sept. 30, 2022 - Exploration and Evaluation Expenditures</b>	\$	<b>10,857</b>	<b>7,194,661</b>	<b>4,202,360</b>	<b>27,113</b>	<b>11,434,991</b>
<b>Sept. 30, 2022 - Total</b>	\$	<b>10,857</b>	<b>7,750,868</b>	<b>4,666,110</b>	<b>38,707</b>	<b>12,466,542</b>

**For the year ended December 31, 2021**

		<b>Flint Lake (a)</b>	<b>Ogden (b)</b>	<b>Dona Lake (c)</b>	<b>Other (d)</b>	<b>Total</b>
<b>Dec. 31, 2020 - Acquisition Costs</b>	\$	6,259	538,447	104,468	11,738	660,912
						-
Additions		-	17,760	359,282	8,250	385,292
Writedowns/Recoveries		(6,259)	-	-	(1,555)	(7,814)
<i>Subtotal</i>	\$	(6,259)	17,760	359,282	6,695	377,478
<b>Dec. 31, 2021 - Acquisition Costs</b>	\$	-	<b>556,207</b>	<b>463,750</b>	<b>18,433</b>	<b>1,038,390</b>
<b>Dec. 31, 2020 - Exploration and Evaluation Expenditures</b>	\$	80,717	5,099,104	789,668	27,117	5,996,606
Assaying		3,256	61,803	28,162	484	93,705
Prospecting		-	38,153	-	4,642	42,795
Geological		2,853	19,053	21,406	5,677	48,989
Geophysical		-	448,449	229,360	-	677,809
Line Cutting		-	72,373	-	-	72,373
Diamond Drilling		-	444,792	1,843,067	-	2,287,859
Aboriginal Consultation		-	-	94,334	-	94,334
Road Building/Maintenance		-	-	1,200	-	1,200
Writedowns/Recoveries		(75,969)	-	-	(9,042)	(85,011)
<i>Subtotal</i>	\$	(69,860)	1,084,623	2,217,529	1,761	3,234,053
<b>Dec. 31, 2021 - Exploration and Evaluation Expenditures</b>	\$	<b>10,857</b>	<b>6,183,727</b>	<b>3,007,197</b>	<b>28,878</b>	<b>9,230,659</b>
<b>Dec. 31, 2021 - Total</b>	\$	<b>10,857</b>	<b>6,739,934</b>	<b>3,470,947</b>	<b>47,311</b>	<b>10,269,049</b>

**a. Flint Lake Gold Property**

In 2007, the Company acquired an option on the Flint Lake Gold project which is located approximately 40 km east of Kenora, Ontario and consists of 14 claims totaling 160 units. The Company entered into an option agreement with Endurance Gold Corp. whereby under the initial option the Company could earn a 70% interest in the property by making share payments totaling 400,000 shares (completed in 2008) and completing work commitments of \$200,000 on the property (completed). The Company exercised a second option to earn a further 5% in the property by issuing a further 50,000 common shares (completed in 2008) and spent an additional \$250,000 on the property (completed). The Company has now earned a 81.3% interest and a joint venture has been formed on a 81.3% (the Company) and 18.7% (Endurance Gold Corp.) basis.

During the year ended December 31, 2020, the Company signed an option agreement with Manning Ventures Inc, ("Manning") whereby Manning has the right to earn a 100% interest of the Company's 81.3 % interest in the Flint Lake project by making cash payments to the Company totaling \$145,000 over three years (\$50,000 received); issue a total of 2,200,000 common shares of Manning to the Company over three years (700,000 received); and incur work expenditures of \$775,000 over three years. Upon exercise of the Flint Lake Option, the Company will retain a 1% NSR royalty. Manning will retain the right to purchase 50% of this NSR royalty from the Company upon payment of \$500,000 at any time.

**b. Ogden**

The Company has entered into an agreement with Goldcorp Canada Ltd. ("Goldcorp") a wholly owned subsidiary of Newmont Goldcorp Corporation, to jointly explore Goldcorp's mining claims located in Ogden and Deloro Townships, located six kilometres south of Timmins, Ontario. The property consists of 84 patented and unpatented claims totaling approximately 1,184 hectares. The Company has earned a 50% interest in the property under the terms of the agreement.

The Company was the operator of the Property during the earn-in period has continued to operate the project afterwards, provided it continues to hold a 50% or greater interest in the property. During 2012, the Company received notice that Goldcorp did not intend to pursue its back-in right on the Ogden property and as a result, the Company and Goldcorp executed a 50/50 joint venture agreement. If either party becomes diluted to a 10% interest, that interest will be converted into a 2% Net Smelter Return Royalty.

**c. Dona Lake**

The Dona Lake property consists of 32 patented and leased mining claims totaling approximately 430.1 hectares and covers the past producing Dona Lake Mine.

During the year ended December 31, 2019, the Company entered into an option and joint venture agreement with Goldcorp Canada Ltd. ("Goldcorp"), a wholly owned subsidiary of Newmont Goldcorp Corporation ("Newmont Goldcorp"). The option agreement allows for the Company to earn 100% of Goldcorp's interest in the Dona Lake property by issuing to Goldcorp a total of 7,000,000 common shares of the Company and funding \$4,000,000 in exploration expenditures over 36 months as per the following schedule:

- Issuing 500,000 shares (issued) within 5 days of definitive agreement and TSX approval (the "Start Date") (received) and spending a minimum \$500,000 prior to 1st anniversary of the Start Date (completed)
- Issuing 1,500,000 shares on or before 1st anniversary (issued) of the Start Date and spending an additional \$1,000,000, to include a minimum 2,500 m drilling, prior to 2nd anniversary of the Start Date (optional)
- Issuing 2,000,000 shares on or before 2nd anniversary (issued) of the Start Date and spending an additional \$2,500,000, to include a minimum 10,000 m drilling, prior to 3rd anniversary of the Start Date (optional)
- Issuing 3,000,000 shares on or before 3rd anniversary of the Start Date (Year 3 – optional)

After vesting, Newmont Goldcorp will have a one-time option to elect to earn back 51% of the Dona Lake property by spending \$4,000,000 on exploration over the following 24 months.

#### **d. Other Properties**

Other Properties consists of several early-stage projects that the Company is evaluating for exploration potential. Included in Other Properties are certain projects that are subject to agreements that are more fully described below.

##### *Iron Horse*

The Company retains a 0.9% royalty from the Iron Horse Project located approximately 120 km Northeast of Labrador City, Labrador and held by Sokoman Minerals Corp.

##### *Yukon*

The Yukon property consists of 148 staked claims in two separate claim blocks in the Dawson Range gold district. The claim blocks are located in the Matson Creek area (Squid East and West properties). The Company owns a 100% interest in all claim blocks.

During the 2018 fiscal year, the Company optioned the property to Manning Ventures Inc. (“Manning”). Under the terms of the agreement, which was amended during the year ended December 31, 2020, Manning has the option to acquire a 75% interest in the property by making cash payments to the Company of \$55,000 (\$35,000 received with remaining \$20,000 due on or before December 31, 2021), issue to the Company a total of 800,000 Manning common shares (600,000 received with remaining 200,000 due on or before December 31, 2021) and incur work expenditures of \$1,050,000 (as amended) over four years (\$50,000 by December 31, 2021). Manning is the operator during the option period. Manning terminated the option agreement and returned the property to the Company in the 2021 fiscal year.

During the period ended September 30, 2022, the Company optioned the property to Golden Sky Minerals Corp. (“Golden Sky”). Under the terms of the agreement Golden Sky has the option to acquire a 100% interest in the property by making cash payments to the Company of \$100,000 (\$10,000 received), issue to the Company a total of 1,200,000 Golden Sky common shares (150,000 received) and incur work expenditures of \$850,000 over four years. Upon Golden Sky completing all cash and share payments and incurring all required work expenditures, the Company will retain a 2% NSR on any future mineral production. Golden Sky will have the right to acquire 50% of the NSR (1%) from the Company for \$1,000,000.

##### *Clarks Brook*

During the year ended December 31, 2020, the Company signed a letter of intent outlining terms whereby Deep Blue Trading Inc. (“DBT”) (a private company owned by an arm’s length third party) can earn a 100% interest in the Clarks Brook property by making cash payments of \$195,000 over three years (\$50,000 received) and issuing a total of 1,500,000 common shares over three years (200,000 shares of General Copper Gold Corp. (“General Gold”), the resultant issuer, received). Metals Creek will retain a 2% NSR, one-half (1%) of which can be purchased by DBT for \$1,000,000. DBT must also complete a 43-101 report on the property by the first anniversary. During the period ended September 30, 2022, General Gold terminated its agreement to acquire Clark’s Brook and returned the property to the Company.

##### *Careless Cove/Yellow Fox*

During the year ended December 31, 2020, the Company signed a letter of intent (“LOI”) with Quadro Resources Ltd. (“Quadro”) pursuant to which Quadro has the right to earn a 100% interest in the Company’s Careless Cove/Yellow Fox claims in Central Newfoundland. Pursuant to the terms of the LOI, Quadro must issue to the Company a total of \$80,000 and 2,000,000 Quadro common shares as amended during the period ended September 30, 2022 according to the following schedule:

- i.) \$15,000 (received) and 300,000 Quadro common shares (received);
- ii.) \$20,000 (received) and 300,000 Quadro common shares on or before the first anniversary (received);
- iii.) 900,000 Quadro common shares on or before the second anniversary (per amendment to agreement whereby the Company agreed to accept 500,000 additional common shares of Quadro in lieu of the original \$20,000 cash payment originally agreed to) (received); and
- iv.) \$45,000 and 500,000 Quadro common shares on or before the third anniversary.

Upon completion of the above payments, Quadro will have earned a 100% interest. The Company will retain a 2% net smelter royalty (“NSR”) on any future mineral production. Quadro will retain the right to buy back one-half the of the NSR (1% of the 2%) from the Company for \$1 million.

*River Valley, Ontario*

The Company owns a 100% interest in 20 claim units encompassing 500 hectares, located in Crerar Township approximately 70km east of Sudbury, Ontario and approximately 4.5km west of the Town of River Valley, Ontario. During the year ended December 31, 2021, the Company sold their 100% interest in the claims to Class 1 Nickel and Technologies Limited (“Class 1”) for 1,250,000 Class 1 common shares. The Company will retain a 2% NSR on the claims, one-half (1%) of which may be purchased by Class 1 at any time for \$1 million.

## 8. CAPITAL AND RESERVES

### i. Share Capital

At September 30, 2022, the authorized share capital comprised an unlimited number of common shares and an unlimited number of preferred shares.

To date, no preferred shares have been issued.

### ii. Share Purchase Warrants

Details of share purchase warrant transactions for the period ended September 30, 2022 and year ended December 31, 2021 are as follows:

	# of Warrants	Amount \$	Wtd. Avg. Ex. Price
Balance, December 31, 2020	22,091,766	479,463	\$0.10
Issued pursuant to private placements	33,034,147	2,165,249	\$0.18
Exercised during the year	(6,752,567)	(157,594)	\$0.09
Expired during the year	(320,000)	(4,918)	\$0.07
Balance, December 31, 2021	48,053,346	2,482,200	\$0.16
Exercised during the period	(7,077,129)	(150,007)	\$0.10
Expired during the period	(8,016,033)	(172,047)	\$0.10
Balance, September 30, 2022	32,960,184	2,160,146	\$0.19

For purposes of the warrants granted, the fair value of each warrant was estimated on the date of grant using an option pricing model.

Pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

For the 4,587,000 warrants issued on December 23, 2021, the fair value of each warrant is \$0.091 and was estimated on the date of issuance with the following assumptions: dividend yield of 0%, expected volatility of 185%, a risk-free interest rate of 1.16% and an expected life of 3 years.

For the 28,447,147 warrants issued on March 17, 2021, the fair value of each warrant ranges from \$0.0543 to \$0.1071 and was estimated on the date of issuance with the following assumptions: dividend yield of 0%, expected volatility of 146%, a risk-free interest rate of 0.29% and an expected life of 2 years.



The following table summarizes information about the warrants outstanding at September 30, 2022 and December 31, 2021:

Expiry Dates	Exercise Price	September 30, 2022 # of Warrants	December 31, 2021 # of Warrants
June 3, 2022	\$0.10	-	5,505,744
June 17, 2022	\$0.10	-	9,088,455
July 14, 2022	\$0.10	-	425,000
March 17, 2023	\$0.165	28,373,184	28,447,147
December 23, 2024	\$0.30	4,587,000	4,587,000
		<u>32,960,184</u>	<u>48,053,346</u>

### iii. Stock Options

Details of stock option transactions for the period ended September 30, 2022 and year ended December 31, 2021 are as follows:

	# of Options	Wtd. Avg. Ex. Price
Balance, December 31, 2020	6,560,000	\$0.09
Granted during the year	6,850,000	\$0.14
Exercised during the year	(500,000)	\$0.095
Expired during the year	(3,010,000)	\$0.11
Balance, December 31, 2021	9,900,000	\$0.12
Expired during the period	(100,000)	\$0.10
Balance, September 30, 2022	<u>9,800,000</u>	<u>\$0.12</u>

The following table summarizes information about the options outstanding at September 30, 2022 and December 31, 2021:

Expiry Dates	Exercise Price	September 30, 2022 # of Options	December 31, 2021 # of Options
March 2022	\$0.10	-	100,000
January 2023	\$0.10	925,000	925,000
January 2024	\$0.07	2,025,000	2,025,000
February 2026	\$0.13	2,600,000	2,600,000
June 2026	\$0.18	500,000	500,000
July 2026	\$0.15	3,750,000	3,750,000
		<u>9,800,000</u>	<u>9,900,000</u>

The Company applies the fair value method of accounting for share-based payments using an option pricing model. During the year ended December 31, 2021, 3,010,000 options with an average exercise price of \$0.11 expired unexercised.

Stock options granted to directors, officers, employees and consultants vested during the period ended September 30, 2022 are as follows:

<u>Grant Date</u>	<u># of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
February 11, 2021	97,352	\$0.13	February 11, 2026
June 10, 2021	73,516	\$0.18	June 10, 2026
July 30, 2021	930,945	\$0.15	July 30, 2026

The Company has calculated \$394,715 (September 30, 2021 - \$502,361) as share-based payments expense and under capital stock as reserves for the 1,101,813 options vesting to directors, officers and employees and consultants during the year:

- For the 97,352 options vesting from the February 11, 2021 grant, the fair value of each vested option is \$0.104 and was estimated on the grant date with the following assumptions: dividend yield of 0%, expected volatility of 135%, a risk-free interest rate of 0.50% and an expected life of approximately 5 years.
- For the 73,516 options vesting from the June 10, 2021 grant, the fair value of each vested option is \$0.152 and was estimated on the grant date with the following assumptions: dividend yield of 0%, expected volatility of 135%, a risk-free interest rate of 0.83% and an expected life of approximately 5 years.
- For the 930,945 options vesting from the July 30, 2021 grant, the fair value of each vested option is \$0.115 and was estimated on the grant date with the following assumptions: dividend yield of 0%, expected volatility of 131%, a risk-free interest rate of 0.83% and an expected life of approximately 5 years.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

#### **iv. Stock Option Plan**

The Company has a Stock Option Plan (the “Plan”) for directors, officers, employees and consultants. The Plan authorizes the granting of options to purchase up to a maximum of 13,482,313 common shares of which 9,900,000 are outstanding at September 30, 2022. The Plan provides that:

- any options granted pursuant to the Plan shall expire no later than five years after the date of grant;
- any options granted pursuant to the Plan shall be non-assignable and non-transferable;
- the number of common shares issuable pursuant to the Plan to any one person in any 12 month period shall not exceed 5% of the outstanding common shares;
- the number of common shares issuable pursuant to the Plan to any one consultant in any 12 month period may not exceed 2% of the outstanding common shares;
- the number of common shares issuable pursuant to the Plan to persons employed in technical consulting activities may not exceed 2% of the outstanding common shares in any 12 month period.
- the Plan provides that options shall expire and terminate 90 days following the date the optionee ceases to be an employee, director or officer of, or consultant to, the Company, provided that if such termination is as a result of death of the optionee, the optionee’s personal representative shall have one year to exercise such options.
- the maximum number of common shares which may be reserved and set aside for issue under Plan is equal to up to 10% of the issued and outstanding common shares, provided that the Board may, subject to Shareholder and regulatory approvals, increase such number.
- the Plan provides that options granted under the plan shall vest in the optionee, and may be exercisable by the optionee as follows: (1) 1/3 on the date of granting; (2) 1/3 six months from the date of granting; and (3) 1/3 twelve months from the date of granting.

#### **v. Shareholder Rights Plan**

The Company has adopted a shareholder rights plan (the “Rights Plan”) to ensure the fair treatment of all Company shareholders in connection with any take-over bid for the outstanding common shares of the Company. The Rights Plan will provide the Company’s shareholders with adequate time to properly evaluate and assess a take-over bid without facing undue pressure or coercion. The Rights Plan also provides the board of directors of the Company with additional time to consider any take-over bid and, if applicable, to explore alternative transactions in order to maximize shareholder value.

Pursuant to the Rights Plan, any bid that meets certain criteria intended to protect the interests of all shareholders are deemed to be “Permitted Bids”. A Permitted Bid must be made by way of a take-over bid circular prepared in compliance with applicable securities laws and, in addition to certain other conditions, must remain open for 60 days. In the event a take-over bid does not meet the Permitted Bid requirements of the Rights Plan, the rights issued under the plan will entitle shareholders, other than any shareholder or shareholders involved in the take-

over bid, to purchase additional common shares of the Company at a significant discount to the market price of the common shares at that time.

## vi. Private Placements

During the year ended December 31, 2021, the Company completed the following private placements:

- In December 2021, the Company completed a non-brokered private placement of flow-through units. The Company issued 4,587,000 flow-through units at a price of \$0.22 per unit. Each flow-through unit consists of one flow-through common share and one common share purchase warrant, each warrant entitling the holder therein to purchase an additional common share of the Company for \$0.30 until December 23, 2024. The Company will have the option to accelerate warrant expiration, 30 days from notice date, if the Company's common shares trade at or above \$0.45 for 60 consecutive trading days. Aggregate proceeds raised in the private placement were \$1,009,140.
- In March 2021, the Company completed a non-brokered private placement of both flow-through and non-flow through units. The Company issued 21,889,276 flow through units at a price of \$0.15 per unit. Each flow-through unit consists of one flow-through common share and one common share purchase warrant, each whole warrant entitling the holder therein to purchase an additional common share of the Company for \$0.165 until March 17, 2023. The Company also issued 6,107,326 non-flow through units at a price of \$0.11 per unit. Each non-flow through unit consists of one common share and one common share purchase warrant, each warrant entitling the holder therein to purchase an additional common share of the Company for \$0.165 until March 17, 2023. Aggregate proceeds raised in the private placement were \$3,955,197.

In connection with the private placement, the Company paid cash finders' fees totalling \$111,126 as well as 450,545 finders' warrants exercisable at \$0.165 expiring March 17, 2023.

The deferred premium on the issuance of the flow-through common shares described above was \$1,093,654. This difference between the proceeds of the placement and the net amount recorded in the Company's share capital account is treated as a liability in accordance with IFRS. This liability is reversed into earnings as the Company incurs flow-through eligible exploration and evaluation expenditures. This reversal amounted to \$324,404 for the period ended September 30, 2022 (September 30, 2021 - \$363,799) resulting in a deferred premium balance of nil at September 30, 2022 (December 31, 2021 - \$324,404).

## 9. LEASE LIABILITY

The lease liability relates to a lease for the Company's office premises. The previous lease expired on March 31, 2020 and the Company executed a new lease on its existing office in September 2020 for a two-year period with renewal options. Using an estimated interest rate of 12% (the Company's estimated incremental borrowing rate) at September 30, 2022, the undiscounted lease obligation is as follows:

	September 30, 2022 \$	December 31, 2021 \$
Lease liability	25,505	34,306
Less: Current portion	(12,964)	(11,906)
Long-term portion	12,541	22,400

## 10. RELATED PARTY TRANSACTIONS

The Company paid or accrued the following amounts to related parties during the periods ended September 30, 2022 and 2021:

Payee	Description of Relationship	Nature of Transaction	September 30, 2022 Amount (\$)	September 30, 2021 Amount (\$)
Eastrock Exploration/ Wayne Reid	Company controlled by Wayne Reid, Director and Officer	Payments for geological consulting services and reimbursement of expenses	10,800	10,800
Nick Tsimidis	Director and Officer	Payments for consulting fees	12,000	13,500
Stares Prospecting Ltd.	Company controlled by Alexander Stares, Director and Officer	Payments for field services capitalized in deferred development expenditures	425	813

The purchases from/fees charged by related parties are in the normal course of operation and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Included in accounts payable and accrued liabilities at September 30, 2022 is:

- \$1,380 in accounts payables to Eastrock Exploration Inc., (September 30, 2021: \$1,380 (inclusive of HST))

Key management personnel remuneration during the period ended September 30, 2022 included \$254,564 (September 30, 2021 - \$242,284) in salaries and benefits and \$42,113 (September 30, 2021 - \$160,015) in share-based payments. There were no post-retirement or other long-term benefits paid to key management personnel during the year.

## 11. SUPPLEMENTAL CASH FLOW INFORMATION

The following transactions did not result in cash flows and have been excluded from operating, financing and investing activities:

	<u>September 30,</u> <u>2022</u> \$	<u>September 30,</u> <u>2021</u> \$
<i>Non-cash financing activities</i>		
Fair value of warrants issued	-	1,747,447
<i>Non-cash investing activities</i>		
Shares received for exploration and evaluation assets	60,750	632,000
Shares issued for mineral property option	-	350,000

## 12. STAKING SECURITY DEPOSITS

Staking security deposits of nil (December 31, 2021 – \$23,900) represents security amounts paid to the Government of Newfoundland and Labrador in connection with mineral property claims located in that province. These staking security deposits are refundable to the company upon submission by the company of a report covering the first-year work undertaken which meets the requirements of the Government of Newfoundland and Labrador.

### **13. INCOME (LOSS) PER SHARE**

Basic income (loss) per common share has been calculated using the weighted average number of common shares outstanding in each respective period. As the issue of shares upon the exercise of stock options and warrants would be anti-dilutive, diluted loss per common share is equivalent to basic loss per common share.

### **14. COMMITMENTS**

The Company executed a new lease agreement in September 2020 on its existing office premises. The term of the lease is for a period of two years with an option to renew for an additional two years. The agreement calls for monthly payments in the amount of \$1,255 plus HST. See note 9.

In the 2020 year end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. The global outbreak of COVID-19 continues to rapidly evolve. The appearance of a new rapidly spreading strain of the virus, the Omicron variant, has caused further uncertainty as to the overall effect of the virus on the world economies. The extent to which COVID-19 may impact the Company's business, operations will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease, the effectiveness and up-take-of the vaccines that have been developed and whether Canada and other countries are required to move back into complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.