

TinOne Resources Inc.
(formerly Lamaska Capital Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Expressed in Canadian dollars

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF TINONE RESOURCES INC. (FORMERLY LAMASKA CAPITAL CORP.)

Opinion

We have audited the consolidated financial statements of TinOne Resources Inc. (formerly Lamaska Capital Corp.) (the "Company"), which comprise:

- ♦ the consolidated statement of financial position as at June 30, 2022;
- ♦ the consolidated statement of loss and comprehensive loss for the year then ended;
- ♦ the consolidated statement of changes in shareholders' equity for the year then ended;
- ♦ the consolidated statement of cash flows for the year then ended; and
- ♦ the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2022, and its consolidated financial performance and its consolidated cash flows for the year 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 *Auditors' 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that as at June 30, 2022, the Company had not yet achieved profitable operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 Matters

The consolidated financial statements of the Company as at and for the year ended June 31, 2021 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on November 18, 2021.

Other Information

Management is responsible for the other information. The other information comprises of 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 identified above 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 auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this, we are required to report that fact. We have nothing to report in this regard.

VANCOUVER

1700-475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

LANGLEY

600-19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

NANAIMO

201-1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

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.

Auditors' 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 auditors' 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 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 auditors' 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.

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LANGLEY

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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 auditors' report is Kevin Yokichi Nishi.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
October 25, 2022

VANCOUVER

1700-475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

LANGLEY

600-19933 88 Ave
Langley, BC V2Y 4K5
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F: 604 357 1376

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TINONE RESOURCES INC. (formerly Lamaska Capital Corp.)
Consolidated Statements of Financial Position
As at June 30, 2022 and 2021
(Expressed in Canadian dollars)

| | Note | June 30, 2022 | June 30, 2021 |
|---|----------------|------------------|---------------|
| | | \$ | \$ |
| ASSETS | | | |
| Current | | | |
| Cash | | 2,016,030 | 43,623 |
| GST receivable | | 79,662 | - |
| Current portion of prepaid expenses | 5 | 507,562 | 3,329 |
| | | 2,603,254 | 46,952 |
| Non-current | | | |
| Exploration and evaluation assets | 6 | 2,701,752 | 822,425 |
| Property and equipment | | 9,461 | - |
| Prepaid expenses | 5 | 213,409 | - |
| Security deposits | 6(a),6(b),6(d) | 62,322 | 51,829 |
| Total assets | | 5,590,198 | 921,206 |
| LIABILITIES | | | |
| Current | | | |
| Accounts payable | 10 | 480,438 | 37,210 |
| Accrued liabilities | | 28,866 | 48,913 |
| Current portion of amounts owing on asset acquisition | 6(b),7 | 39,499 | 82,578 |
| | | 548,803 | 168,701 |
| Non-current | | | |
| Amounts owing on asset acquisition | 6(b),7 | - | 280,970 |
| Total liabilities | | 548,803 | 449,671 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 9(a) | 8,134,120 | 1,236,240 |
| Reserve | 9(b) | 729,413 | 104,971 |
| Accumulated other comprehensive income | | 494 | - |
| Deficit | | (3,822,632) | (869,676) |
| Total shareholders' equity | | 5,041,395 | 471,535 |
| Total liabilities and shareholders' equity | | 5,590,198 | 921,206 |

Nature of operations and going concern (Note 1)
Loans payable (Note 8)
Commitments (Note 13)
Subsequent events (Note 16)

These consolidated financial statements were authorized for issue by the Board of Directors on October 25, 2022

/s/ "Ota Hally"

Ota Hally, Director

/s/ "Michael Konnert"

Michael Konnert, Director

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

TINONE RESOURCES INC. (formerly Lamaska Capital Corp.)
Consolidated Statements of Loss and Comprehensive Loss
For the years ended June 30, 2022 and 2021
(Expressed in Canadian dollars, except number of shares)

| | Note | 2022 | 2021 |
|---|--------------|------------------|----------------|
| | | \$ | \$ |
| Operating expenses | | | |
| Bank charges | | 5,369 | 4,159 |
| Consulting fees | | 261,802 | 190,770 |
| Conference fees | | 48,912 | - |
| Depreciation | | 744 | - |
| Filing fees | | 34,489 | 2,625 |
| Insurance | | 15,243 | 4,468 |
| Interest expense | 8 | 3,583 | 1,408 |
| Investor relations | | 56,852 | - |
| Management fees | 10 | 312,588 | 51,450 |
| Office expense | | 23,510 | 799 |
| Professional fees | | 215,695 | 60,130 |
| Property investigation expense | | 4,640 | 26,997 |
| Salaries, wages, and benefits | | 29,962 | - |
| Share-based compensation | 9(d),9(e),10 | 493,433 | 104,971 |
| Travel | | 68,111 | - |
| Total operating expenses | | 1,574,933 | 447,777 |
| Other expenses (income) | | | |
| Accretion expense | 7, 8 | 39,494 | 56,893 |
| Benefit of below-market interest rate loan | 8 | - | (3,237) |
| Foreign exchange loss (gain) | | 35,133 | (3,072) |
| Listing expense | 4 | 1,201,133 | - |
| Loss on settlement | 7 | 102,263 | - |
| Net loss | | 2,952,956 | 498,361 |
| Item that may be reclassified to profit or loss | | | |
| Currency translation reserve | | (494) | - |
| Comprehensive loss | | 2,952,462 | 498,361 |
| Loss per common share | | | |
| Basic and diluted | | 0.07 | 0.02 |
| Weighted average number of common shares outstanding | | | |
| Basic and diluted | | 42,183,675 | 25,561,448 |

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

TINONE RESOURCES INC. (formerly Lamaska Capital Corp.)
Consolidated Statements of Changes In Shareholder's Equity
For the years ended June 30, 2022 and 2021
(Expressed in Canadian dollars, except numbers of shares)

| | Number of common shares | Share capital | Reserve | Accumulated other comprehensive income | Deficit | Total shareholders' equity |
|---|----------------------------|------------------|----------------|---|--------------------|----------------------------------|
| | # | \$ | \$ | \$ | \$ | \$ |
| Balance, June 30, 2020 | 20,123,201 | 554,240 | 59,961 | - | (375,565) | 238,636 |
| Shares issued for employment agreement | 1,000,000 | 50,000 | (50,000) | - | - | - |
| Shares issued for settlement of convertible loans | 800,000 | 60,000 | - | - | 4,250 | 64,250 |
| Shares issued for services | 300,000 | 30,000 | - | - | - | 30,000 |
| Shares issued for private placement | 5,420,000 | 542,000 | - | - | - | 542,000 |
| Share-based compensation | - | - | 104,971 | - | - | 104,971 |
| Reallocation of equity component of convertible loans | - | - | (6,724) | - | - | (6,724) |
| Benefit of below-market interest rate loan | - | - | (3,237) | - | - | (3,237) |
| Net loss | - | - | - | - | (498,361) | (498,361) |
| Balance, June 30, 2021 | 27,643,201 | 1,236,240 | 104,971 | - | (869,676) | 471,535 |
| Share-based compensation | - | - | 493,433 | - | - | 493,433 |
| Shares issued in the Transaction (Note 4) | 4,500,000 | 1,125,000 | - | - | - | 1,125,000 |
| Replacement Warrants issued | - | - | 32,026 | - | - | 32,026 |
| Replacement Options issued | - | - | 47,496 | - | - | 47,496 |
| Shares issued for private placement | 22,682,200 | 5,670,550 | - | - | - | 5,670,550 |
| Share issuance costs | - | (242,403) | - | - | - | (242,403) |
| Warrants issued | - | (123,289) | 123,289 | - | - | - |
| Shares issued for amount due on asset acquisition | 1,226,775 | 361,040 | - | - | - | 361,040 |
| Replacement Warrants exercised | 151,800 | 39,486 | (24,306) | - | - | 15,180 |
| Replacement Options exercised | 200,000 | 67,496 | (47,496) | - | - | 20,000 |
| Currency translation reserve | - | - | - | 494 | - | 494 |
| Net loss | - | - | - | - | (2,952,956) | (2,952,956) |
| Balance, June 30, 2022 | 56,403,976 | 8,134,120 | 729,413 | 494 | (3,822,632) | 5,041,395 |

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

TINONE RESOURCES INC. (formerly Lamaska Capital Corp.)
Consolidated Statements of Cash Flows
For the years ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

| | 2022 | 2021 |
|--|--------------------|------------------|
| | \$ | \$ |
| Cash flows used in operating activities | | |
| Net loss | (2,952,956) | (498,361) |
| Adjustments for non-cash items: | | |
| Depreciation | 744 | - |
| Interest expense | - | 1,408 |
| Share-based compensation | 493,433 | 104,971 |
| Shares issued for services | - | 30,000 |
| Accretion expense | 39,494 | 56,893 |
| Benefit of below-market interest rate loan | - | (3,237) |
| Foreign exchange gain | (10,155) | (3,072) |
| Listing expense | 1,098,859 | - |
| Loss on settlement | 102,263 | - |
| Changes in non-cash working capital: | | |
| GST receivable | (79,662) | - |
| Prepaid expenses | (717,642) | (532) |
| Accounts payable | 90,693 | 12,713 |
| Accrued liabilities | (27,547) | 35,913 |
| Net cash used in operating activities | (1,962,476) | (263,304) |
| Cash flows used in investing activities | | |
| Cash acquired in the Transaction | 121,353 | - |
| Investment in exploration and evaluation assets | (1,534,982) | (250,601) |
| Security deposits | (10,493) | (196) |
| Payment of amounts owing on asset acquisition | (92,840) | (49,120) |
| Purchases of property and equipment | (10,205) | - |
| Net cash used in investing activities | (1,527,167) | (299,917) |
| Cash flows provided by financing activities | | |
| Proceeds from private placement | 5,670,550 | 542,000 |
| Share issuance costs | (242,403) | - |
| Exercise of Replacement Warrants | 15,180 | - |
| Exercise of Replacement Options | 20,000 | - |
| Interest paid | - | (3,406) |
| Proceeds from loans payable | 120,000 | - |
| Repayment of loans payable | (120,000) | (21,000) |
| Net cash provided by financing activities | 5,463,327 | 517,594 |
| Effect of foreign exchange on cash | (1,277) | - |
| Change in cash | 1,972,407 | (45,627) |
| Cash, beginning of year | 43,623 | 89,250 |
| Cash, end of year | 2,016,030 | 43,623 |

Supplementary cash flow information:

During the year ended June 30, 2022:

- (a) Included in exploration and evaluation asset additions is an unpaid accounts payable balance of \$368,226;
- (b) Partial repayment of amounts owing on asset acquisition with a carrying value of \$258,777 occurred through the issuance of common shares with a fair value of \$361,040. Related to this payment, the Company recognized a loss on settlement of \$102,263;
- (c) Paid interest expense of \$3,583; and
- (d) Issued finders' warrants with a fair value of \$123,289 upon closing of private placement resulting in the reallocation from share capital to reserve.

During the year ended June 30, 2021:

- (a) Included in exploration and evaluation asset additions is an unpaid accounts payable balance of \$23,881;
- (b) Reallocated \$50,000 from reserve to share capital upon issuance of common shares in connection with an employment agreement; and
- (c) Issued common shares with a fair value of \$60,000 upon settlement of convertible loans resulting in a \$4,250 gain charged to deficit.

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

TINONE RESOURCES INC. (formerly Lamaska Capital Corp.)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2022 and 2021

(Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

TinOne Resources Inc. (the “Company” or “TinOne”) (formerly known as Lamaska Capital Corp. or “Lamaska”) was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on February 6, 2019. TinOne’s principal business activities are the acquisition and exploration of mineral property assets. The Company is in the exploration stage with respect to its interests in exploration and evaluation assets. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development and upon future profitable production. The Company is listed on the TSX Venture Exchange (the “Exchange”) under the symbol “TORC.V” and on the OTCQB under the symbol “TORCF”. The Company’s head office is located at Suite 700 - 1090 West Georgia Street, Vancouver, British Columbia.

Reverse takeover

TinOne Resources Subsidiary Inc. (formerly TinOne Resources Corp. or “TinOne PrivCo”) was incorporated pursuant to the provisions of the Business Corporations Act of British Columbia on June 29, 2018.

On December 10, 2020, the Company entered into an amalgamation agreement with TinOne PrivCo pursuant to which, through its wholly owned subsidiary 1277805 B.C. Ltd., the Company acquired all of the outstanding shares of TinOne PrivCo (the “Transaction”) by way of issuing one of the Company’s common shares for each common share of TinOne PrivCo held by the existing TinOne PrivCo shareholders (the “TinOne Shareholders”). The TinOne Shareholders became shareholders of the combined entity (“Amalco”). Upon completion of the Transaction, Amalco continued to carry on the business of TinOne PrivCo as then constituted and changed its name to “TinOne Resources Inc.”. The Transaction was an arm’s length transaction and constituted a reverse takeover (“RTO”) of the Company by TinOne PrivCo, pursuant to policies of the Exchange.

Effective December 24, 2021, the Transaction closed whereby the existing shareholders of the Company received common shares of Amalco in exchange for their common shares of the Company, on a one-to-one basis (Note 4).

Concurrent with the Transaction, the Company completed a private placement (the “Concurrent Financing”) for gross proceeds of \$5,670,550 at \$0.25 per common share for the issuance of 22,682,200 common shares.

For accounting purposes, TinOne PrivCo is treated as the accounting acquirer (legal subsidiary), and the Company is treated as the accounting acquiree (legal parent) in these consolidated financial statements. As TinOne PrivCo was deemed to be the acquirer for accounting purposes, its assets, liabilities, and operations since incorporation are included in these consolidated financial statements at their historical carrying values. The Company’s results of operations are included from the date of the Transaction on December 24, 2021. The comparative figures are those of TinOne PrivCo prior to the reverse acquisition.

Going concern

These consolidated financial statements for the years ended June 30, 2022 and 2021 (the “financial statements”) have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at June 30, 2022, the Company has not yet achieved profitable operations. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company’s commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which may differ materially from their carrying values. These financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

The coronavirus pandemic continues to have global impacts on workforces, economies, and financial markets. It is not possible for the Company to predict the duration or magnitude of any adverse effects that the pandemic may have on the Company’s business or ability to raise funds. As at the date of these financial statements, COVID-19 has had no impact on the Company’s ability to access and explore its current properties but may impact the Company’s ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

TINONE RESOURCES INC. (formerly Lamaska Capital Corp.)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2022 and 2021

(Expressed in Canadian dollars, except where noted)

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements were approved and authorized for issuance by the directors of the Company on October 26, 2022.

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of financial statements.

Basis of measurement

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

Functional and presentation currency

These financial statements have been prepared in Canadian dollars, which is the Company’s functional and presentation currency. References to “CAD” are to Canadian dollars, references to “AUD” are to Australian dollars, and references to “NZD” are to New Zealand dollars.

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 date of the consolidated statement of financial position. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

The results and financial position of all the Corporation’s entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the consolidated statements of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the date of the transaction); and
- All resulting exchange differences are recognized as a separate component of shareholders’ equity.

Basis of consolidation

These financial statements incorporate the accounts of the Company and the following subsidiaries:

| Name of subsidiary | Country of incorporation | Percentage ownership | Functional currency | Principal activity |
|--|---------------------------------|-----------------------------|----------------------------|---------------------------|
| TinOne Resources Subsidiary Inc. | Canada | 100% | CAD | Mining company |
| TinOne Resources Australia Pty Ltd. ¹ | Australia | 100% | AUD | Mining company |
| Gondwana Gold NZ Limited | New Zealand | 100% | NZD | Mining company |

¹ During the year ended June 30, 2022, the Company incorporated TinOne Resources Australia Pty Ltd.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Exploration and evaluation assets

All costs related to the acquisition, exploration and evaluation of mineral properties are capitalized as incurred and deferred until management establishes technical feasibility and economic feasibility of a property. Option payments are capitalized. Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Exploration and evaluation assets (continued)

When technical feasibility and commercial viability of a property is demonstrated, exploration and evaluation assets will be reclassified into mining property and development assets within property.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain in profit or loss.

(b) Impairment of non-current assets

Non-current assets, including exploration and evaluation assets, are assessed for impairment when facts or circumstances suggest that the carrying value of an exploration and evaluation asset may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the greater of an asset's fair value less cost to sell and value in use. The estimated recoverable amount is determined on an asset-by-asset basis, except where such assets do not generate cash flows independent of other assets, in which case the recoverable amount is estimated at the cash-generating unit level. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company will measure, present, and disclose any resulting impairment loss.

(c) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share, where applicable, is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(d) Income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

(e) Financial instruments

IFRS 9 *Financial Instruments* ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), and at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

The Company's financial instruments are classified as follows:

| Financial instruments | Classification |
|------------------------------------|-----------------------|
| Cash | FVTPL |
| Accounts payable | Amortized cost |
| Accrued liabilities | Amortized cost |
| Convertible loans | Amortized cost |
| Loan payable | Amortized cost |
| Amounts owing on asset acquisition | Amortized cost |

Financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

- a) Fair value through profit or loss – financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. A financial asset classified as FVTPL is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value and changes in fair value are recognized in the statement of loss.
- b) Amortized cost – financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL:
 - i. The objective of the Company's business model for these financial assets is to collect their contractual cash flows; and
 - ii. The assets' contractual cash flow represents solely payments of principal and interest.

A financial asset measured at amortized cost is initially recognized at fair value less transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

c) FVTOCI

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

TINONE RESOURCES INC. (formerly Lamaska Capital Corp.)

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For the years ended June 30, 2022 and 2021

(Expressed in Canadian dollars, except where noted)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Impairment of financial assets at amortized cost

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information. If it has been determined that there is a significant increase in risk, then the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss the amount of expected credit losses (or reversal), as an impairment gain or loss, that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(f) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity as share issue costs, net of any tax effects. Common shares issued for consideration other than cash are valued based on their fair value at the date the shares are issued. Share issue costs and other legal fees related to and incurred in advance of share subscriptions are recorded as deferred financing costs.

The proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated first to share capital up to the fair value of the common share, determined by reference to the quoted market price of the common shares on the issuance date, with the residual amount of proceeds, if any, allocated to the reserve for warrants.

(g) Share-based compensation

Certain employees and directors of the Company receive a portion of their remuneration in the form of stock options. The fair value of the stock options, determined at the date of the grant, is charged to profit or loss, with an offsetting credit to reserves, over the vesting period. If and when the stock options are exercised, the applicable original amounts of reserves are transferred to issued capital.

The fair value of a stock-based compensation is determined at the date of the grant. The estimated fair value of stock options is measured using the Black-Scholes Option Pricing Model. The Black-Scholes Option Pricing Model requires the input of subjective assumptions, including the expected term of the option and stock price volatility. The expected term of options granted is determined based on historical data on the average hold period before exercise, expiry, or cancellation. Expected volatility is estimated with reference to the historical volatility of the stock price of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Share-based compensation (continued)

These estimates involve inherent uncertainties and the application of management's judgment. The cost of stock-based compensation is recognized over the vesting period of the option. The total amount recognized as an expense is adjusted to reflect the number of options expected to vest at each reporting date. At each reporting date prior to vesting, the cumulative compensation expense representing the extent to which the vesting period has passed and management's best estimate of the stock options that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in profit or loss with a corresponding entry to reserves.

No expense is recognized for stock options that do not ultimately vest. Charges for stock options that are forfeited before vesting are reversed from reserves and credited to the consolidated statement of loss and comprehensive loss. For those stock options that expire unexercised after vesting, the recorded value remains in reserves.

(h) Recent accounting pronouncements

Certain other accounting pronouncements were issued but the Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial position of the Company except for additional disclosures. The Company is assessing the impact of the new or revised IFRS standards on its financial position and financial performance.

(i) Significant accounting estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

• **Income taxes**

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence, and any new legislation may result in an increase or decrease in our provision for income taxes.

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon successful discovery, extraction, development, and commercialization of mineral reserves. To the extent that management's assessment of the company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

• **Valuation of share-based payments**

The assumptions used in the calculation for the value of share-based payments are inherently uncertain. The resulting value calculated is not necessarily the value that the holder of the equity compensation could receive in an arm's length transaction, given that there is no market for the options. Changes in these assumptions could materially affect the estimated fair values.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Significant accounting estimates and judgments (continued)

Critical accounting estimates (continued)

- **Valuation of shares issued in non-cash transactions**

Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

- **Fair value of consideration in reverse take-over transaction**

The fair value of consideration in the Transaction comprised of common shares, options and warrants. Common shares were fair valued on the date of issuance. The Company applied IFRS 2 Share-based Payment in accounting for the acquisition and valuation of the replacement options and agent's warrants.

Critical accounting judgments

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to 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:

- **Going concern assessment**

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its operating expenditures, meet its liabilities for the subsequent year, and to fund planned contractual exploration programs, involves significant judgment based on historical experiences and other factors including expectation of future events that are believed to be reasonable under the circumstances.

- **The consideration of whether impairment indicators exist for long-term non-financial assets**

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's property and equipment and resource properties. Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of resource properties may exceed its recoverable amount. The retention of regulatory permits and licenses, the Company's ability to obtain financing for exploration and development activities and its future plans on the resource properties, current and future metal prices, and market sentiment are all factors considered by the Company. In respect of the carrying value of property and equipment recorded on the consolidated statements of financial position, management has determined that it continues to be appropriately recorded, as there has been no obsolescence or physical damage to the assets and there are no indications that the value of the assets have declined more than what is expected from the passage of time or normal use.

- **Business combinations or asset acquisitions**

At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets is acquired. More specifically, consideration is given to the extent to which significant processes are acquired.

When the acquisition does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized. The Transaction was accounted for as an asset acquisition (Note 4).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Significant accounting estimates and judgments (continued)

Critical accounting judgments (continued)

- **Control**

At the time of acquisition, the Company assesses whether it has control over the acquiree. Control exists when the Company has power over an entity, when the Company is exposed, or has rights, to variable returns from the entity and when the Company has the ability to affect those returns through its power over the entity. Where control exists, the Company consolidates the results of the acquired entity.

- **Functional currency**

The Company applies judgment in assessing the functional currency of each entity consolidated in these financial statements. The functional currency of the Company and its subsidiaries is determined using the currency of the primary economic environment in which the entity receives funding for operations.

4. REVERSE TAKEOVER

On December 24, 2021, the Company closed the Transaction as outlined in Note 1.

In accordance with the Transaction, Lamaska issued a total of 27,643,201 common shares to the TinOne Shareholders and TinOne PrivCo issued 4,500,000 to the shareholders of Lamaska. As a result, the shareholders of TinOne PrivCo acquired control of Lamaska, thereby constituting an RTO of Lamaska. The Transaction is considered a purchase of Lamaska's net assets by the TinOne Shareholders. As Lamaska did not qualify as a business according to the definition in IFRS 3 Business Combinations as there were no substantive processes in place, the Transaction will be accounted for in accordance with guidance provided in IFRS 2 Share-based Payment.

The Transaction is recognized as if TinOne PrivCo had proceeded to the issuance of the Company's shares outstanding before the Transaction in exchange for the net assets acquired. The fair value of the 4,500,000 common shares of Lamaska was determined to be \$0.25 per common share, based on the fair value at December 24, 2021.

Included in consideration paid was the replacement of 200,000 agent warrants exercisable for 200,000 common shares of Lamaska at \$0.10 per share until July 14, 2022 (the "Replacement Warrants") and 200,000 stock options originally exercisable for 200,000 common shares of Lamaska at \$0.10 per share until July 14, 2030 (the "Replacement Options"). The Replacement Warrants and Replacement Options are exercisable at \$0.10 per common share and expire on July 14, 2022 and July 14, 2030, respectively. The Replacement Warrants and Replacement Options were measured at their fair values on the Transaction date and determined to have a fair value of \$0.16 and \$0.24 each, respectively, using a Black-Scholes Option Pricing Model and the following assumptions:

| | Replacement warrants | Replacement options |
|-------------------------|---------------------------------|--------------------------------|
| Risk-free interest rate | 0.95% | 1.46% |
| Expected life (years) | 0.55 | 8.56 |
| Expected volatility | 117.00% | 117.00% |
| Forfeiture rate | 0.00% | 0.00% |
| Dividend rate | 0.00% | 0.00% |

TINONE RESOURCES INC. (formerly Lamaska Capital Corp.)**Notes to the Consolidated Financial Statements****For the years ended June 30, 2022 and 2021**

(Expressed in Canadian dollars, except where noted)

4. REVERSE TAKEOVER (continued)

The consideration comprised of the fair value of the net assets (liabilities) acquired from Lamaska as at December 24, 2021 are:

| | |
|--|------------------|
| Consideration paid: | \$ |
| Fair value of Lamaska common shares | 1,125,000 |
| Fair value of Replacement Warrants | 32,026 |
| Fair value of Replacement Options | 47,496 |
| Transaction costs | 102,274 |
| Total consideration paid | 1,306,796 |
| Identifiable assets acquired: | |
| Cash and cash equivalents | 121,353 |
| Accounts payable and accrued liabilities | (15,690) |
| Net assets acquired | 105,663 |
| Listing expense | 1,201,133 |

The fair value of the consideration is \$1,306,796, which is greater than the fair value of the \$105,663 in net assets acquired. Because the Company cannot specifically identify any goods or services that relate to this excess, IFRS 2 requires that the difference be recognized as a transaction cost. Consequently, \$1,201,133 was recorded as a listing expense and included in deficit.

5. PREPAID EXPENSES

As at June 30, 2022, prepaid expenses of \$720,971 (June 30, 2021 - \$3,329) are primarily comprised of a prepaid business development, strategic and financial consulting services contract with a balance of \$578,881 (June 30, 2021 - \$nil) and other prepaid expenses consist of prepaid insurance and subscriptions. Of total prepaid expenses, \$507,562 has been recognized as the current portion and \$213,409 has been recognized as the non-current portion given the term of the underlying contracts.

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Notes to the Consolidated Financial Statements

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6. EXPLORATION AND EVALUATION ASSETS

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties, and, to the best of its knowledge, title to all of its properties are properly registered and in good standing.

| Project | Glen Innes, Tingha, and Emmaville | Aberfoyle and Great Pyramid | Panama | Tin Hill | Nevis Valley | Teviot East | Total |
|------------------------------------|--|--|-----------------------------|----------------------------|-------------------------------|-------------------------------|------------------|
| Metal / Location | Tin / Australia | Tin / Australia | Gold / Australia | Tin / Australia | Gold / New Zealand | Gold / New Zealand | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Acquisition costs | | | | | | | |
| Balance, June 30, 2020 and 2021 | 25,000 | 449,009 | 28,065 | - | - | - | 502,074 |
| Additions | - | - | - | 10,880 | - | - | 10,880 |
| Balance, June 30, 2022 | 25,000 | 449,009 | 28,065 | 10,880 | - | - | 512,954 |
| Exploration costs | | | | | | | |
| Balance, June 30, 2020 | 44,945 | 924 | - | - | - | - | 45,869 |
| Additions: | | | | | | | |
| Geological, drilling & field costs | 9,704 | 8,408 | 123,142 | - | - | - | 141,254 |
| Licenses, permits and rental | 12,834 | 37,780 | - | - | - | - | 50,614 |
| Soil sampling | - | - | 82,614 | - | - | - | 82,614 |
| Balance, June 30, 2021 | 67,483 | 47,112 | 205,756 | - | - | - | 320,351 |
| Additions: | | | | | | | |
| Geological, drilling & field costs | 35,089 | 1,327,719 | 406,315 | 3,557 | - | - | 1,772,680 |
| Licenses, permits and rental | 8,291 | 32,303 | 6,267 | 1,245 | 5,865 | 5,938 | 59,909 |
| Soil sampling | - | 26,904 | 8,954 | - | - | - | 35,858 |
| Balance, June 30, 2022 | 110,863 | 1,434,038 | 627,292 | 4,802 | 5,865 | 5,938 | 2,188,798 |
| Carrying value | | | | | | | |
| Balance, June 30, 2021 | 92,483 | 496,121 | 233,821 | - | - | - | 822,425 |
| Balance, June 30, 2022 | 135,864 | 1,883,047 | 656,221 | 15,681 | 5,001 | 5,938 | 2,701,752 |

6. EXPLORATION AND EVALUATION ASSETS (continued)

Projects located in Australia:

(a) Glen Innes, Tingha, and Emmaville Projects (Tenements EL8902, EL8913, and EL8903)

On June 29, 2018, the Company entered into an Asset Purchase Agreement with directors of the Company, whereby the Company acquired 100% title to three mineral claim exploration tenements located in the areas of Glen Innes, New South Wales ("NSW"), Australia, Tingha, NSW, Australia and Emmaville, NSW, Australia. As consideration, the Company issued 5,000,000 common shares at a fair value of \$25,000. The tenements are valid until 2023.

Annual rental fees commenced in October and November 2019 and continue to be due annually as follows: AUD \$4,780 for EL8902, AUD \$3,460 for EL8903 and AUD \$3,040 for EL8913.

Security deposits of \$98 (AUD \$100) and \$27,143 (AUD \$30,000) were paid in November 2020 and November 2019, respectively. The security deposits are held with the NSA Government Planning Environment Department, for indemnification of site restoration of the claims comprising the tenements.

(b) Aberfoyle and Great Pyramid Projects (Tenements EL27 2004 and RL2 2009)

On October 17, 2019, as last amended on June 3, 2020, the Company entered into an agreement (the "Tenement Sale Agreement") to purchase certain mining tenements located in Australia for up to a total of \$652,140 (AUD \$700,000). On April 14, 2020, the Company paid \$89,220 (AUD \$100,000) for the initial payment per the Tenement Sale Agreement.

The following is the schedule of payments made and due in the future:

- A payment of AUD \$50,000 is due on or before April 17, 2021 (paid during the year ended June 30, 2021 - \$49,119);
- A further payment of AUD \$100,000 is due on or before April 17, 2022 (paid on April 17, 2022 - \$92,840);
- A further payment of AUD \$50,000 is due on or before April 17, 2023 (not yet paid as at June 30, 2022); and
- A final payment of AUD \$400,000 is due on or before April 17, 2024 for which the Company may elect to issue common shares as consideration (settled in shares on January 19, 2022) (Note 9).

The Company initially recorded amounts owing on asset acquisition of \$359,789 which was the fair value of future payments of AUD \$600,000 discounted at a rate of 16%. The remaining commitments were accreted over the term of the Tenement Sale Agreement (Note 7).

The tenements are subject to an underlying 3.75% Net Smelter Royalty ("NSR") and are valid until November 26, 2021 and August 1, 2022. On November 17, 2021, the Company paid \$6,245 (AUD \$6,690) to renew and extend the tenement for EL27 2004 until November 26, 2022.

Security deposits of \$98 (AUD \$100) and \$24,490 (AUD \$29,000) were paid in November 2020 and March 2020, respectively. The security deposits are held with the Tasmanian Government Department of State Growth for indemnification of site restoration of the claims comprising the tenements.

(c) Panama Project (Tenement EL4 2018)

On June 7, 2020, the Company entered into an option agreement with three individuals to acquire up to a 100% beneficial interest in a mining tenement located in Golconda, Tasmania, Australia, by way of earn-in option arrangement, and issued 374,200 common shares at a fair value of \$28,065 (AUD \$30,000).

As at June 30, 2021, accumulated expenditures on Tenement EL4 2018 were \$205,756 (approximately AUD \$221,362), and as such the Company achieved the first option on Tenement EL4 2018 by surpassing the minimum initial spend of AUD \$170,000 and achieved an earn-in option percentage of 51%.

As at June 30, 2022, accumulated expenditures on Tenement EL4 2018 were \$628,156 (approximately AUD \$706,428), and as such the Company achieved the second option on Tenement EL4 2018 by surpassing the minimum initial spend of AUD \$340,000 and achieved an earn-in option percentage of 75%.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Projects located in Australia (continued):

(c) Panama Project (Tenement EL4 2018) (continued)

Further earn-in options may be attained through the following future expenditures:

| | Earn-in option | Earn-in option percentage | Consideration payment (AUD) | Exploration commitment (AUD) |
|---------------------------|-----------------------|----------------------------------|------------------------------------|-------------------------------------|
| On or before June 7, 2023 | Option 3 | 90% | \$100,000 | Minimum of a further \$500,000 |
| On or before June 7, 2024 | Option 4 | 100% | \$200,000 | Minimum of a further \$1,500,000 |

The consideration payments may be satisfied by either cash payment or the issuance of shares, at the election of the Company.

The Company, at its option, may accelerate the exploration commitments. Accordingly, the earn-in option percentage over the tenement at any given time will be adjusted using the actual exploration expenditures and consideration payments.

The Company is obligated to pay additional consideration contingent on achieving the following milestones:

1. AUD \$250,000 is due upon a mineral resource, equivalent to one million gold ounces, being reported. If the resource is greater, then the payment is doubled;
2. AUD \$500,000 is due upon the completion of a bankable feasibility study; and
3. AUD \$1,000,000 is due upon the decision to proceed to construction and development.

As at June 30, 2022, the Company has not recorded the additional contingent consideration as the likelihood of achieving the aforementioned milestones is indeterminable. Should the option agreement lapse, the Company will retain a NSR over the tenement of up to 3% depending on the earn-in-option at such time.

(d) Tin Hill Project (Tenement ELA 6216/EL 9347)

Pursuant to an Exploration License Application filed with the government of NSW (ELA 6216), the Company made a payment of \$20,341 (AUD \$21,500) on December 29, 2021, for rent, levy, and security on the property (the "Tin Hill" property). Of the \$20,341, \$10,880 (AUD \$11,500) was recognized as exploration and evaluation assets and \$9,461 (AUD \$10,000) was recognized as security deposits. On January 27, 2022, the license application was approved, and the Company was issued an exploration license (EL 9347) that expires on January 27, 2026.

Projects located in New Zealand:

(e) Nevis Valley Project (Tenement PPA60718)

On May 12, 2022, the Company was granted a permit to Nevis Valley in Otago which expires on May 12, 2024. Annual permit fees are due on June 30 of each year for a total of NZD \$11,225, excluding GST. For the period from May 13, 2022 to June 30, 2022, the annual permit fees were prorated and \$1,409, excluding GST (NZD \$1,507, excluding GST), was recognized.

In addition to annual permit fees, the Company pays monthly fees of NZD \$1,013 for operational oversight. During the year ended June 30, 2022, the Company paid operational oversight fees of \$3,690 (NZD \$4,050) (2021 - \$nil).

(f) Teviot East Project (Tenement PPA60720)

On May 12, 2022, the Company was granted a permit to Teviot East in Otago which expires on May 12, 2024. Annual permit fees are due on June 30 of each year for a total of NZD \$18,738, excluding GST. For the period from May 13, 2022 to June 30, 2022, the annual permit fees were prorated and \$2,352, excluding GST (NZD \$2,515, excluding GST), was recognized.

In addition to annual permit fees, the Company pays monthly fees of NZD \$1,013 for operational oversight. During the year ended June 30, 2022, the Company paid operational oversight fees of \$3,690 (NZD \$4,050) (2021 - \$nil).

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7. AMOUNTS OWING ON ASSET ACQUISITION

At the closing date of the Tenement Sale Agreement (Note 6(b)), the Company recorded amounts owing on asset acquisition and measured the liability at the fair value of its remaining commitments. The amounts owing on asset acquisition were discounted at a rate of 16% and were accreted over the term of the Tenement Sale Agreement. As at June 30, 2022 and 2021, the balances of the amounts owing on asset acquisition were as follows:

| | June 30, 2022 | June 30, 2021 |
|---|---------------|----------------|
| | \$ | \$ |
| Beginning balance | 363,548 | 364,241 |
| Payments | (351,617) | (49,119) |
| Accretion expense | 39,494 | 56,893 |
| Foreign exchange gain | (11,926) | (8,467) |
| Total amounts owing on asset acquisition | 39,499 | 363,548 |
| Less: Current portion of amounts owing on asset acquisition | 39,499 | 82,578 |
| Amounts owing on asset acquisition | - | 280,970 |

On October 17, 2019, as last amended on June 3, 2020, the Company entered into a Tenement Sale Agreement in order to purchase certain mining tenements located in Australia for up to a total of \$652,140 (AUD \$700,000). On April 14, 2020, the Company paid \$89,220 (AUD \$100,000) for the initial payment per the agreement.

The following schedule presents the amounts and dates of payments made and due in respect of the amounts owing on asset acquisition:

- A payment of AUD \$50,000 was due on or before April 17, 2021 and \$49,120 (AUD \$50,000) was paid during the year ended June 30, 2021.
- A further payment of AUD \$100,000 was due on or before April 17, 2022 and \$92,840 (AUD \$100,000) was paid on April 17, 2022.
- A further payment of AUD \$50,000 is due on or before April 17, 2023 and has not been paid as at June 30, 2022.
- A final payment of AUD \$400,000 was due on or before April 17, 2024 for which the Company elected to issue common shares as consideration per the terms of the agreement. On January 19, 2022, the Company issued 1,226,775 common shares with a fair value of \$361,040 as consideration for the amount owing on asset acquisition which had a carrying value of \$258,777. As a result of the settlement through the issuance of common shares, a loss on settlement of \$102,263 was recognized.

8. LOANS PAYABLE**Convertible loans**

On September 12, 2019, the Company entered into a convertible loan agreement with a director of the Company. The \$20,000 loan is interest bearing at 3% per annum, for an initial term of one year and convertible at the option of the holder into common shares of the Company at a price of \$0.075 per common share. The Company concluded that the convertible loan is a compound financial instrument with a debt and an equity component. The Company estimated that the liability component of the convertible loan, determined by discounting the payments under the loan at a market interest rate of 16%, was \$17,759 and the equity component was \$2,241. On July 15, 2020, the loan was converted into 266,667 common shares at a fair value of \$20,000. Accordingly, the equity component was reallocated from reserve to share capital and the Company recorded a gain on settlement of the convertible loan of \$2,273 related to accrued interest which was charged to deficit as the director forgave the interest portion of the loan.

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(Expressed in Canadian dollars, except where noted)

8. LOANS PAYABLE (continued)

On February 24, 2020, the Company entered into a convertible loan agreement with a director of the Company. The \$40,000 loan is interest bearing at 3% per annum, for an initial term of one year and convertible at the option of the lender into common shares of the Company at a price of \$0.075 per common share. The Company concluded that the convertible loan is a compound financial instrument with a debt and an equity component. The Company estimated that the liability component of the convertible loan, determined by discounting the payments under the loan at a market interest rate of 16%, was \$35,517 and the equity component was \$4,483. On July 15, 2020, the loan was converted into 533,333 common shares at a fair value of \$40,000. Accordingly, the equity component was reallocated from reserve to share capital and the Company recorded a gain on settlement of the convertible loan of \$1,977 related to accrued interest which was charged to deficit as the director forgave the interest portion of the loan.

Loans

On September 12, 2019, the Company entered into a loan agreement with a company controlled by a director of the Company. The \$21,000 loan is interest bearing at 12% per annum, for an initial term of two years. The Company determined that the market rate of interest for a similar loan is 16% per annum. Accordingly, the Company recorded an initial benefit of the below-market interest rate loan of \$5,394 to reserve. On April 1, 2021, the Company repaid the principal balance of \$21,000 and interest payable of \$3,406. For the year ended June 30, 2021, the Company recognized benefit of below-market interest rate loan of \$3,237, accretion expense of \$5,394, and interest expense of \$1,408.

On July 28, 2021, the Company entered into a loan agreement with a company controlled by a director of the Company. The \$20,000 loan bears interest at 5% per annum and due the earlier of i) five calendar days after receiving written demand from the Lender; or ii) November 25, 2021. The loan shall be repayable in cash or in shares of the Company upon listing. On March 31, 2022, principal of \$20,000 and accrued interest of \$667 was repaid in full.

On September 3, 2021, the Company entered into a loan agreement with a company controlled by a director of the Company. The \$100,000 loan bears interest at 5% per annum and due the earlier of i) five calendar days after receiving written demand from the Lender; or ii) January 1, 2022. The loan shall be repayable in cash or in shares of the Company upon listing. On March 31, 2022, principal of \$100,000 and accrued interest of \$2,916 was repaid in full.

9. SHARE CAPITAL

(a) Authorized capital:

Unlimited number of common shares with no par value.

Issued:

During the year ended June 30, 2022, the Company issued the following common shares:

On December 24, 2021, as consideration for the Transaction, the Company issued 4,500,000 common shares with a fair value of \$0.25 per share resulting in an increase to share capital of \$1,125,000 and was included in listing expense in the consolidated statements of loss and comprehensive loss (Note 4).

On December 24, 2021, upon completion of the Transaction, the Company closed the Concurrent Financing and issued 22,682,200 at \$0.25 per common shares for proceeds of \$5,670,550. Share issuance costs consisted of cash in the amount of \$242,403 and finder's warrants with a fair value of \$123,289.

On January 19, 2022, in connection with the Tenement Sale Agreement, the Company settled an amount owing of AUD \$400,000 through the issuance of 1,226,775 common shares with a fair value of \$361,040.

Over the course of January 5, 2022 to February 16, 2022, the Company issued 200,000 common shares pursuant to the exercise of 200,000 Replacement Options for aggregate proceeds of \$20,000. As a result, \$47,496 was re-allocated from reserves to share capital.

On March 14, 2022, the Company issued 60,200 common shares pursuant to the exercise of 60,200 Replacement Warrants for gross proceeds of \$6,020. As a result, \$9,638 was re-allocated from reserves to share capital.

On June 15, 2022, the Company issued 91,600 common shares pursuant to the exercise of 91,600 Replacement Warrants for gross proceeds of \$9,160. As a result, \$14,668 was re-allocated from reserves to share capital.

9. SHARE CAPITAL (continued)

(a) Authorized capital (continued):

Issued (continued):

During the year ended June 30, 2021, the Company issued the following common shares:

On July 15, 2020, the Company issued a total of 800,000 common shares to two directors at a fair value of \$60,000 in settlement of two convertible loans (Note 8).

On August 19, 2020, the Company issued 1,000,000 common shares at a fair value of \$50,000 pursuant to an employment agreement. The fair value was recorded as share-based compensation during the year ended June 30, 2020 and, accordingly, reallocated from reserves to share capital.

On October 30, 2020, the Company issued 300,000 common shares with a fair value of \$30,000 for consulting services.

On November 2, 2020, the Company issued 5,420,000 common shares at \$0.10 per share for proceeds of \$542,000 for a non-brokered private placement.

(b) Reserve

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the share-based payments are issued, at which time the corresponding amount will be transferred to share capital. The reserve also records the equity component of convertible loans, the fair value of warrants, and the benefit recognized on below-market interest rate loans.

(c) Escrow Shares

As at June 30, 2022, the Company had 15,400,501 (2021 – 2,000,000) common shares subject to escrow. Under the escrow agreement 10% of the escrowed shares were released from escrow on the issuance of the final exchange bulletin confirming the completion of the Transaction by the TSXV, and 15% will be released every 6 months thereafter.

(d) Stock options

On February 1, 2021, the Company adopted a Stock Option Plan (the "Plan"). The Plan is a 10% rolling stock option plan and will allow the Company to grant up to 10% of its issued and outstanding shares to officers, directors, consultants, and advisors of the Company. During the year ended June 30, 2021, the Company granted a total of 2,750,000 stock options at an exercise price of \$0.25. The options will expire February 1, 2026 and vest over two years. The fair value of the stock options on February 1, 2021 was \$195,315.

In connection with the Transaction, on December 24, 2021, the Company issued 200,000 Replacement Options at an exercise price of \$0.10. The options expire on July 14, 2030 and vested immediately. The fair value of the Replacement Options was \$47,496 and was included in listing expense.

On January 19, 2022, the Company granted 2,700,000 stock options to certain directors and officers of the Company. These stock options have an exercise price of \$0.28, a five-year life, and vest over a period of 24 months with 20% vested upon the date of grant, 20% will vest on July 19, 2022, 20% will vest on January 19, 2023, 20% will vest on July 19, 2023, and 20% will vest on January 19, 2024.

On March 16, 2022, the Company granted 175,000 stock options to a director and an officer of the Company. These stock options have an exercise price of \$0.27, a five-year life, and vest over a period of 24 months with 34% vested upon the date of grant, 33% will vest on March 16, 2023, and 33% will vest on March 16, 2024.

For the year ended June 30, 2022, the Company recognized share-based compensation of \$428,980 (2021 - \$104,971) relating to the vesting of stock options.

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9. SHARE CAPITAL (continued)

(d) Stock options (continued)

The following is a summary of the Company's stock options for the years ended June 30, 2022 and 2021:

| | Number of options | Weighted average exercise price |
|-------------------------------|-------------------|---------------------------------|
| | # | \$ |
| Balance, June 30, 2020 | - | - |
| Granted | 2,750,000 | 0.25 |
| Balance, June 30, 2021 | 2,750,000 | 0.25 |
| Granted | 3,075,000 | 0.27 |
| Exercised | (200,000) | 0.10 |
| Balance, June 30, 2022 | 5,625,000 | 0.27 |

During the year ended June 30, 2022, the weighted average share price on the date of exercise of the stock options was \$0.31 per share.

The following is a summary of the Company's stock options outstanding and exercisable at June 30, 2022:

| Expiry date | Weighted average exercise price | Number of outstanding options | Number of exercisable options | Weighted average remaining life |
|-------------------------------|---------------------------------|-------------------------------|-------------------------------|---------------------------------|
| | \$ | # | # | Years |
| February 1, 2026 | 0.25 | 2,750,000 | 1,833,333 | 3.59 |
| January 19, 2027 | 0.28 | 2,700,000 | 540,000 | 4.56 |
| March 16, 2027 | 0.27 | 175,000 | 58,334 | 4.71 |
| Balance, June 30, 2022 | 0.27 | 5,625,000 | 2,431,667 | 4.09 |

The following table presents the range of assumptions used for the Black-Scholes Option Pricing Model valuation of stock options granted during the years ended June 30, 2022 and 2021:

| | 2022 | 2021 |
|-------------------------|----------------------|-------|
| Share price (\$) | 0.250 - 0.275 | 0.100 |
| Risk-free interest rate | 0.95% - 2.02% | 0.15% |
| Expected life (years) | 5.00 - 8.56 | 5.00 |
| Expected volatility | 100% - 117% | 117% |
| Forfeiture rate | 0.00% | 0.00% |
| Dividend rate | 0.00% | 0.00% |

(e) Restricted share units

On April 26, 2022, pursuant to the Company's Omnibus Long Term Equity Incentive Plan, the Company granted 1,375,000 restricted share units (each an "RSU") to certain recently appointed directors, advisors, and consultants of the Company. The RSUs will vest in two equal annual instalments commencing on the first anniversary of the grant date.

For the year ended June 30, 2022, the Company recognized share-based compensation of \$64,453 (2021 - \$nil) relating to the vesting of the RSUs.

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9. SHARE CAPITAL (continued)

(e) Restricted share units (continued)

The following is a summary of the Company's RSU's for the years ended June 30, 2022 and 2021:

| | Number of RSU's | Weighted average issue price |
|----------------------------------|------------------|---------------------------------|
| | # | \$ |
| Balance, June 30, 2020, and 2021 | - | - |
| Granted | 1,375,000 | 0.25 |
| Balance, June 30, 2022 | 1,375,000 | 0.25 |

The following is a summary of the Company's RSUs outstanding and unvested at June 30, 2022:

| Vesting date | Outstanding and unvested | Weighted average remaining contractual life |
|-------------------------------|-----------------------------|---|
| | # | # |
| April 26, 2023 | 687,500 | 0.82 |
| April 26, 2024 | 687,500 | 1.82 |
| Balance, June 30, 2022 | 1,375,000 | 1.32 |

(f) Warrants

In connection with the Transaction, on December 24, 2021, the Company issued 200,000 Replacement Warrants at an exercise price of \$0.10. The warrants will expire on July 14, 2022. The fair value of the Replacement Warrants was \$32,026 and was included in listing expense.

On December 24, 2021, in connection with the Concurrent Financing, the Company issued 827,592 finder's warrants at an exercise price of \$0.25. The warrants will expire on December 24, 2023. The fair value of the warrants was \$123,289.

The following is a summary of the Company's warrants for the years ended June 30, 2022 and 2021:

| | Number of warrants | Weighted average exercise price |
|---------------------------------|-----------------------|------------------------------------|
| | # | \$ |
| Balance, June 30, 2020 and 2021 | - | - |
| Granted | 1,027,592 | 0.22 |
| Exercised | (151,800) | 0.10 |
| Balance, June 30, 2022 | 875,792 | 0.24 |

During the year ended June 30, 2022, the weighted average share price on the date of exercise of the warrants was \$0.23 per share. The weighted average remaining life of warrants as at June 30, 2022 is 1.22 years.

The following are the assumptions used in the Black-Scholes Option Pricing Model valuation of warrants granted in the year ended June 30, 2022. No warrants were granted in the year ended June 30, 2021.

| | Replacement Warrants | Finder's warrants |
|-------------------------|-------------------------|-------------------|
| Share price (\$) | 0.250 | 0.250 |
| Risk-free interest rate | 0.95% | 0.98% |
| Expected life (years) | 0.55 | 2.00 |
| Expected volatility | 117.00% | 117.00% |
| Forfeiture rate | 0.00% | 0.00% |
| Dividend rate | 0.00% | 0.00% |

The risk-free rate of periods within the expected life of the share options is based on the Canadian government bond rate. The annualized volatility and forfeiture rate assumptions are based on the historical results of benchmark companies.

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10. RELATED PARTY DISCLOSURES

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the year ended June 30, 2022, the Company recorded management fees of \$293,311 (2021 - \$51,450) to directors and companies controlled by directors of the Company (Note 13).

During the year ended June 30, 2022, the Company recorded share-based compensation to key management personnel of \$167,569 (2021 - \$nil).

During the year ended June 30, 2022, the Company entered into two loan agreements with a director (Note 8) and borrowed an aggregate of \$120,000 under these agreements. The loans and accrued interest of \$3,583 were fully repaid on March 31, 2022.

Included in accounts payable at June 30, 2022 is \$57,255 (2021 - \$7,350) owed to a company controlled by a director of the Company. Included in accrued liabilities as at June 30, 2022 is \$4,000 (2021 - \$nil) owed to a company controlled by a director of the Company. Amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

11. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations including corporate and administrative functions to support operations. The Company obtains funding primarily through issuing common stock. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1: 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.

The fair values of cash and accounts payable approximate their carrying values due to their short-term nature. Amounts owing on asset acquisition are measured at amortized cost.

As at June 30, 2022 and 2021, there were no financial assets or liabilities measured and recognized in the consolidated statements of financial position at fair value that would be categorized as Level 2 or Level 3 in the fair value hierarchy.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company is exposed to credit risk through cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. As at June 30, 2022, the Company had cash of \$2,016,030 (June 30, 2021 - \$43,623) with large financial institutions. The Company assessed credit risk as low.

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12. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company's liquidity will be adversely affected if its access to the capital market is hindered. The Company has no sources of revenue and has obligations to meet its exploration and evaluation commitments and to settle accounts payable. As at June 30, 2022, the Company has working capital of \$2,054,451 (June 30, 2021 - working capital deficit of \$121,749). The Company assesses liquidity risk as low. The Company's accounts payable and accrued liabilities are due within 90 days and the amounts owing on asset acquisition is due in April 2023.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. The Company does not expect exchange rates, commodity and equity prices to have a material impact to the Company. The Company does not have any debt that is subject to variable interest rates. The Company is not exposed to significant interest rate risk.

Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

The Company's exposure to foreign currency risk on its financial instruments is as follows:

| | June 30, 2022 | June 30, 2021 |
|------------------|----------------------|---------------|
| | AUD \$ | AUD \$ |
| Cash | 50,455 | - |
| Accounts payable | (431,668) | - |
| Total | (381,213) | - |

The Canadian dollar equivalent to the Company's exposure to foreign currency risk on its financial instruments as at June 30, 2022 is \$338,975 (June 30, 2021 - \$nil).

A 5% change in the AUD dollar against the Canadian dollar at June 30, 2022 would result in a \$16,949 impact to the Company.

13. COMMITMENTS

On December 1, 2020, the Company entered into a management services agreement (the "Management Services Agreement") with a company controlled by a director of the Company. The Management Services Agreement is for a term of three years and can be terminated within six months by notice by either party. As consideration, the Company is paying \$7,350 (\$7,000 + \$350 GST) on a monthly basis. During the years ended June 30, 2022 and 2021, the Company recorded \$88,200 and \$51,450 in fees, respectively.

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14. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the acquisition, exploration, and development of mineral properties.

Information about geographical areas:

| | June 30, 2022 | June 30, 2021 |
|-------------------------------|------------------|----------------|
| | \$ | \$ |
| Long-term assets | | |
| Canada | 213,409 | - |
| Australia | 2,762,596 | 874,254 |
| New Zealand | 10,939 | - |
| Total long-term assets | 2,986,944 | 874,254 |

15. INCOME TAXES

The provision for income taxes differs from the amount that would have been obtained by applying the statutory income tax rate of 27% (2021 - 27%) to the Company's net loss. The difference results from the following items:

A reconciliation of income taxes at statutory rates with the reported taxes for the years ended June 30, 2022 and 2021 is as follows:

| | 2022 | 2021 |
|--|-------------|-----------|
| | \$ | \$ |
| Net loss for the year | (2,952,956) | (498,361) |
| Tax rate | 27% | 27% |
| Expected income tax recovery | (797,298) | (134,557) |
| Non-deductible expenditures and non-taxable revenues | 147,827 | 50,389 |
| Impact of foreign tax rates | 1,754 | - |
| Change in unrecognized deferred income tax assets | 647,717 | 84,168 |
| Provision for income tax recovery | - | - |

The significant components of the Company's deferred tax assets and liabilities are as follows:

| | June 30, 2022 | June 30, 2021 |
|---|----------------|---------------|
| | \$ | \$ |
| Deferred income tax assets: | | |
| Share issuance costs | 32,455 | - |
| Non-capital losses available for future periods | 784,576 | 93,581 |
| Mineral resource properties | 8,457 | - |
| OCI foreign exchange | 124 | - |
| Deferred tax assets | 825,612 | 93,581 |
| Unrecognized deferred income tax assets | (825,612) | (93,581) |
| Deferred income tax assets, net | - | - |

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 position are as follows:

| Expiring | June 30, 2022 | Expiry date range | June 30, 2021 | Expiry date range |
|---|------------------|-------------------|----------------|-------------------|
| | \$ | | \$ | |
| Temporary differences: | | | | |
| Share issuance costs | 120,205 | 2043 to 2047 | - | - |
| Non-capital losses available for future periods | 2,912,052 | 2038 to 2042 | 346,596 | 2038 to 2041 |
| Mineral resource properties | 31,637 | No expiry date | - | - |
| OCI foreign exchange | 494 | No expiry date | - | - |
| Total | 3,064,388 | | 346,596 | |

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16. SUBSEQUENT EVENTS

Subsequent to June 30, 2022, the Company issued 48,000 common shares of the Company following the exercise of 48,000 warrants and received proceeds of \$4,800.

On August 15, 2022, the Company closed the first tranche of the oversubscribed non-brokered private placement announced on July 12, 2022 and July 21, 2022, raising gross proceeds of \$2,115,400. A total of 21,154,000 units of the Company (the "Units") were issued at a price of \$0.10 per Unit (the "Financing"). Each Unit comprised of one common share of the Company and one common share purchase warrant (the "Warrant") of the Company. Each Warrant will entitle the holder to purchase one common share of the Company at an exercise price of \$0.20 for a period of 36 months following the closing date of the Financing.

On August 22, 2022, the Company closed its final tranche of the oversubscribed non-brokered private placement announced on July 12, 2022 and July 21, 2022, raising an additional \$95,000 issuing 950,000 units of the Company (the "Units") at a price of \$0.10 per Unit. The Company overall raised gross proceeds of \$2,210,400 issuing a total of 22,104,000 Units at a price of \$0.10 per Unit (the "Financing"). Each Unit is comprised of one common share of the Company and one common share purchase warrant (the "Warrant") of the Company. Each Warrant will entitle the holder to purchase one common share of the Company at an exercise price of \$0.20 for a period of 36 months following the closing date of the Financing. The Company paid cash finder's fees equal to \$46,200 and issued 462,000 finders warrants of the Company, to acquire that number of common shares in the capital of the Company at \$0.20 per share, for a period of 36 months following the closing date of the Financing.

On August 30, 2022, the Company granted 2,190,000 stock options to directors, employees, and consultants of the Company. These stock options are exercisable at \$0.10 and expire on August 30, 2027. The stock options vest over a period of 24 months with 20% vested upon the date of grant, 20% vesting on February 28, 2023, 20% vesting on August 30, 2023, 20% vesting on February 28, 2024, and 20% vesting on August 30, 2024.

On August 30, 2022, the Company announced that it had entered into a definitive purchase agreement (the "Definitive Agreement") whereby the Company will acquire a 100% undivided interest in the Rattler Range tin project ("Rattler Range") in northeastern Tasmania, Australia. Pursuant to the Definitive Agreement, the Company will acquire a 100% undivided interest in the Rattler Range tin project in consideration for the issuance of \$100,000 of common shares in the capital of the Company (the "Consideration Shares"). The deemed value of the Consideration Shares shall be the greater of (i) the 15-day volume weighted average price of the Company's common shares on TSX Venture Exchange (the "TSXV") on the day prior to the closing date; and (ii) \$0.10, being the closing price of the Company's common shares on the TSXV on August 29, 2022.

Additionally, The Company has agreed to grant the Rattler Range vendor a 2% net smelter returns royalty over the project (the "NSR"). The Company will have the right, at any time upon notice being given to the NSR holder, to repurchase 1/2 of the NSR for \$1,000,000 in cash.