ROME RESOURCES LTD.

Financial Statements

For the Years Ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Rome Resources Ltd.

Opinion

We have audited the accompanying financial statements of Rome Resources Ltd. (the "Company"), which comprise the statements of financial position as at September 30, 2022 and 2021, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity (deficiency) for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has a deficit of $17,013,732, working capital of $587,763 as at September 30, 2022, and will need additional funding to continue operations for the upcoming year. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Daniel Nathan.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

January 27, 2023

ROME RESOURCES LTD.
Statements of Financial Position
(Expressed in Canadian Dollars)
As at September 30,

		2022		2021
ASSETS				
Current assets				
Cash	**$**	743,652	$	—
Amounts receivable (Note 4 and 7)		5,850		5,850
	$	749,502	$	5,850
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)				
Current liabilities				
Accounts payable and accrued liabilities (Note 6)	**$**	83,843	$	216,201
Due to related parties (Note 7)		77,896		390,606
		161,739		606,807
Shareholders' Equity (Deficiency)				
Share capital (Note 8)		14,826,913		13,779,963
Share subscriptions received in advance (Note 8 and 13)		840,000		—
Share-based compensation reserve (Note 8)		1,934,582		1,934,582
Deficit		(17,013,732)		(16,315,502)
Total shareholders' equity (deficiency)		587,763		(600,957)
Total liability and shareholders' equity (deficiency)	**$**	749,502	$	5,850

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

These financial statements were authorized for issue by the Board of Directors on January 27, 2023.

On behalf of the Board:

"Georg Schnura"	*"David Jenkins"*
Georg H. Schnura	**David Jenkins**
President, CEO and Director	**Director**

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

ROME RESOURCES LTD.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the years ended September 30,

		2022		2021
Expenses				
Property investigation costs (Note 5)	$	**516,790**	$	—
Legal		**208,915**		10,036
Transfer agent and regulatory fees		**63,531**		5,250
Accounting and audit (Note 7)		**38,600**		—
Consulting fees (Note 7)		**18,326**		—
Promotion and advertising		**2,540**		—
Interest and bank charges		**583**		41
Office expense		**263**		—
		(849,548)		(15,327)
Gain on settlement of accounts payable (Note 6 and 8)		**151,318**		—
Loss and comprehensive loss for the year	$	**(698,230)**	$	(15,327)
Basic and diluted loss per share for the year	$	**(0.02)**	$	(0.00)
Basic and diluted weighted average number of shares outstanding		**41,825,299**		26,698,659

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

ROME RESOURCES LTD.

Statements of Cash Flows
(Expressed in Canadian Dollars)
For the years ended September 30,

		2022		2021
Cash flows from operating activities				
Loss for the year	**$**	**(698,230)**	$	(15,327)
Changes in non-cash working capital items:				
Gain on settlement of accounts payable		**(151,318)**		—
Current liabilities		**134,614**		15,327
Net cash used in operating activities		**(714,934)**		—
Financing Activities				
Proceeds from issuance of shares, net of share issue costs		**618,586**		—
Share subscriptions received in advance		**840,000**		—
		1,458,586		—
Increase in cash during the year		**743,652**		—
Cash beginning of year		—		—
Cash end of year	**$**	**743,652**	$	—
Supplementary Cash Flow Information				
Cash paid during the year for interest	**$**	—	$	—
Cash paid during the year for income taxes		—		—
	$	—	$	—

Supplemental Disclosure with respect to Cash Flows (Note 11).

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

ROME RESOURCES LTD

Statement of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)
For the Years Ended September 30, 2022 and 2021

	Share Capital					
	Number of Shares	Amount	Subscriptions received in advance	Share-based compensation reserve	Deficit	Total
Balance, September 30, 2020	26,698,659	$13,779,963	$ —	$ 1,934,582	$ (16,300,175)	$ (585,630)
Loss for the year	—	—	—	—	(15,327)	(15,327)
Balance, September 30, 2021	26,698,659	$13,779,963	$ —	$ 1,934,582	$ (16,315,502)	$ (600,957)
Proceeds from issuance of shares, net of share issue costs	13,000,000	618,586				618,586
Shares issued for debt	8,567,280	428,364				428,364
Share subscriptions received in advance			840,000			840,000
Loss for the year	—	—	—	—	(698,230)	(698,230)
Balance, September 30, 2022	48,265,939	$14,826,913	$ 840,000	$ 1,934,582	$ (17,013,732)	$ 587,763

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Rome Resources Ltd. (the "Company") was incorporated in British Columbia on April 11, 1990 and is involved in the business of mineral exploration. The head office mailing courier, and registered and records office address is Suite 700, 688 West Hasting Street, Vancouver B.C., V6B 1P1.

The Company is in the process of acquiring exploration and evaluation assets. The recoverability of the amounts recorded is dependent upon the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete their development.

The Company's shares were suspended from trading on NEX on April 4, 2016 following the issuance of a cease trade order by the British Columbia Securities Commission on April 1, 2016 for the Company's failure to file certain financial statements and related management's discussions and analyses. The cease trade order was revoked by the BCSC effective May 13, 2022 following the Company's filing of all required records and trading resumed on the TSX Venture exchange ("TSXV") on November 22, 2022 as a tier 2 issuer.

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations are dependent upon its ability to either secure additional equity capital or generate cash flow from operations in the future, which is not assured. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary, should the Company be unable to secure additional equity capital or generate cash from operations in the future.

The Company has a history of operating losses and as at September 30, 2022, has a deficit of $17,013,732 (2021 $16,315,502) and working capital of $587,763 (2021 - deficiency of $600,957). The Company estimates it will need additional funding to continue operations for the upcoming year. This raises significant doubt as to the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and which were in effect as of September 30, 2022.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, and available-for-sale financial instruments, which are stated at amortized cost. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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:

i) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of presentation

Critical Judgment

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1. As at September 30, 2022 the Company had working capital of $587,763 (2021 - deficiency of $600,957). Additional financing will be required for the Company to continue as a going concern.

b) Share-based compensation

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and share-based compensation reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The share-based compensation reserve account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to share capital.

c) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method.

Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.
Existing stock options and share purchase warrants have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share are the same for the periods presented.

e) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company’s accounting policy for each of the categories is as follows:

*Financial assets at FVTPL***:** Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss in the period. Cash is considered as FVTPL.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

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.

Financial liabilities and equity: Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial instruments, continued

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Amortized cost – This category consists of liabilities carried at amortized cost using the effective interest method. Accounts payable and accrued liabilities are included in this category. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Company has classified its cash FVTPL. Receivables are classified as amortized cost. Accounts payable and accrued liabilities and due to related parties are classified as amortized cost.

f) Share Capital

Common shares are classified as share capital. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The proceeds from the issue of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

g) Exploration and Evaluation Properties

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss as property investigation costs.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Impairment

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

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

3. CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

There have been no changes in accounting policies or recent accounting pronouncements which the Company expects to have a material impact on financial position or results.

4. ACCOUNTS RECEIVABLE

Accounts receivable is due from a company owned by a director of the Company related to the sale of a subsidiary (Note 6c and 7).

5. EXPLORATION AND EVALUATION ASSETS

During the period ended September 30, 2022, the Company finalised definitive option agreements to acquire majority interests in two properties situated in the Walikale District of the North Kivu Province in eastern Democratic Republic of the Congo ("DRC"). The two contiguous properties are referred to collectively as the "Bisie North Tin Project". This acquisition is subject to regulatory approval

Exploration Permit PR 13274
The Company has entered into an option agreement to acquire up to a 71% interest in the issued and outstanding shares in Medidoc-RD Congo SARLU ("MRDC") on the following terms:

- The Company can acquire a 30% interest in MRDC by issuing 9,000,000 common shares (issued November 2022), and by funding exploration and evaluation expenditures totalling CAD$250,000 (paid November 2022) on or before 31 January 2023 ("MRDC First Option").

- The Company can acquire a further 41% interest in MRDC (for a total interest of 71%) by issuing a further 30,000,000 common shares, and funding additional exploration and evaluation expenditures totalling CAD$1,750,000 (for a total of CAD$2,000,000) on or before 31 January 2024 ("MRDC Second Option").

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS, continued

Exploration Permit PR 15130

The Company has also entered into an option agreement to acquire up to a 51% interest in PR 15130 on the following terms:

- The Company can acquire a 25% interest in PR 15130 by issuing 3,000,000 common shares (issued November 2022), and by funding exploration expenditures totalling CAD$250,000 (paid January 2023) on or before 31 January 2023 ("CTC First Option").
- The Company can acquire a further 26% interest in PR 15130 (for a total interest of 51%) by issuing a further 6,000,000 common shares, and funding additional exploration expenditures totalling CAD$1,750,000 (for a total of CAD$2,000,000) on or before 31 January 2024 ("CTC Second Option").

As at September 30, 2022 the Company advanced a total of US$400,000 (CAD $516,790) to MRDC, recorded as property investigation expense. After the exercise of the MRDC First Option, such advances will then be immediately attributed to the CAD $1,750,000 to be incurred in exploration and evaluation expenditures pursuant to the MRDC Second Option and will be deemed to be repaid.

Subsequent to the year ended September 30, 2022, the Company received TSXV approval for the above two mineral property option agreements.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company as at September 30, are broken down as follows:

	2022	2021
Trade payables	$ 59,843	$ 196,201
Accrued liabilities	24,000	20,000
Total	$ 83,843	$ 216,201

During the year ended September 30, 2022 the Company settled certain accounts payable for shares and cash. The amounts settled in cash resulted in a gain of $125,242 which is included in the gain on the settlement of accounts payable (note 7).

7. RELATED PARTY TRANSACTIONS

a) Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

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 September 30, 2022 there was $12,000 accrued to a director, for consulting services rendered to the Company and $4,600 was paid to the CFO of the Company for accounting services. There were no related party expenses during the 2021.

7. RELATED PARTY TRANSACTIONS, continued

b) As at September 30, 2022 due to related parties totaling $77,896 (September 30, 2021 - $390,606) is due to directors or a corporation controlled by a director or officer of the Company, or to corporations owned by a former director or officer of the Company. During the year ended September 30, 2022, $367,364 of related party debt was settled by the issuance of shares (Note 8).

c) Amounts receivable of $5,850 is due from a related company as described in note 4.

8. SHARE CAPITAL AND RESERVES

The following is a description of the authorized and issued share capital:

(a) Authorized: Unlimited common shares without par value.

(b) Issued:

As at September 30, 2022 the total issued and outstanding share capital was 48,265,939 shares (September 30, 2021 – 26,698,659 shares).

During the year ended September 30, 2022, the Company raised $650,000 by the issuance of 13,000,000 shares at $0.05 for a private placement, and in connection incurred $31,414 in share issuance costs. The Company also issued 8,567,280 shares valued at $428,364 to settle debt of $454,440 resulting in a gain of $26,076. In addition, the Company received $840,000 toward a future private placement (Note 13).

There were no share capital transactions during the year ended September 30, 2021.

(c) Escrow Shares

As at September 30, 2022 and 2021, 209,452 common shares are held in escrow; the release of the balance of these shares is subject to the approval of the regulatory authorities having jurisdiction.

(d) Stock Options

The Company has established a stock option plan the purpose of which is to attract, retain and motivate directors, officers, employees and persons engaged to provide ongoing management and consulting services ("service providers") by providing them with the opportunity, through stock options, to acquire a proprietary interest in the Company and benefit from its growth. The maximum number of shares, which may be issued under the plan, is fixed at 3,308,200. This number is subject to adjustment resulting from changes in the share capital of the Company. Such adjustments are subject to approval by the TSXV and by the shareholders of the Company. The number of shares reserved for issuance to any one person may not exceed 5% of the issued and outstanding shares at the date of such grant. The maximum term of stock options is five years from the grant. All options granted under the Plan will become vested in full upon grant, except options granted to consultants performing investor relations activities, which options are subject to vesting restrictions such that one-quarter of the options shall vest every three months subsequent to the date of the grant of the options.

The exercise price of the shares which are the subject of any option shall in no circumstances be less than the market price of the shares at the date of the grant of the option.

As at September 30, 2022 and 2021, there are no outstanding share purchase options or warrants.
.

9. FINANCIAL INSTRUMENTS, CAPITAL AND RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk.

The Company depends on external financing to funds its activities. The capital structure of the Company currently consists of common shares. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash.

The Company anticipates continuing to access equity markets to fund continued exploration of its exploration and evaluation assets and the future growth of the business.

There were no changes in the Company's approach to capital management during the period ended September 30, 2022. The Company is not subject to externally imposed capital requirements.

Financial Instruments

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 value of the Company's amounts receivables, accounts payable and accrued liabilities, and amounts due to related parties approximates their carrying values due to their short term nature.

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's exposure to credit risk includes cash and amounts receivables. The Company manages its credit risk relating to cash by dealing only with highly-rated Canadian financial institutions. As at September 30, 2022, amounts receivable of $5,850 (September 30, 2021 - $5,850) comprised of amounts due from a related company as described in note 4. As a result, credit risk is considered insignificant.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2022, the Company had a cash balance of $743,652 to settle current liabilities of $161,739. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, rates, and commodity and equity prices.

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS, CAPITAL AND RISK MANAGEMENT, continued

Financial Instruments, continued

(a) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. The Company is not exposed to significant interest rate risk relating to its cash.. The Company has cash balances and no interest-bearing debt. The Company is not exposed to significant risk due to fluctuating interest rates.

(b) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

10. INCOME TAXES

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

	2022	2021
Earnings (loss) for the year	$ (698,230)	$ (15,327)
Expected income tax (recovery)	(189,000)	(4,000)
Share issue cost	(8,000)	
Change in unrecognized deductible temporary differences	197,000	4,000
Total income tax expense (recovery)	$ —	$ —

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

	2022	**Expiry Date Range**	**2021**	**Expiry Date Range**
Temporary Differences				
Share issue costs	25,000	2046		
Non-capital losses available for future period	949,000	2026 to 2042	245,000	2026 to 2041

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

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the periods ended September 30, 2022 includes share capital valued at $428,364 issued for debt (September 30, 2021 - $nil)

12. SEGMENTED INFORMATION

The Company has one reportable segment, being the acquisition and exploration of exploration and evaluation assets.

13. SUBSEQUENT EVENTS

Subsequent to September 30, 2022 the Company:

- Received approval from the TSXV to resume trading. The Company's shares will be reinstated for trading as a Tier 2 issuer of the TSXV.

- Received acceptance by the TSXV, of two mineral property option agreements pursuant to which the Company can acquire a majority interest in the Bisie North Tin Project (note 5)

- Closed its non-brokered private placement and issued 5,600,000 units at a price of $0.15 per unit for gross proceeds totaling $840,000. Each unit is comprised of one common share and one non-transferable common share purchase warrant with each warrant exercisable for one common share at $0.25 per share on or before November 18, 2023. The securities issued pursuant to the private placement and any shares to be issued on the exercise of warrants are restricted from trading until March 19, 2023.

- announced a non-brokered private placement offering (subject to approval) of up to 10,000,000 common shares in the capital of the Company at a price of $0.20 per share, for gross proceeds of up to $2,000,000. To the date of this report, the Company has received $1,105,970 towards this financing.

- Upon receipt of approval by the TSXV, the Company issued 9,000,000 common shares and paid $250,000 to acquire a 30% interest in MRDC. In addition, the Company also issued 3,000,000 common shares and paid $250,000 to acquire a 25% interest in Exploration Permit 15130 (note 5).