West Red Lake Gold Mines Inc.

Financial Statements
(Expressed in Canadian Dollars)

Years Ended September 30, 2021 and 2020

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 Nick Miseros.

MS Partners LLP

Toronto, Ontario
January 25, 2022

MS Partners LLP
Licensed Public Accountants

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of West Red Lake Gold Mines Inc. (the "Company" or "West Red Lake") are the responsibility of the management and Board of Directors of the Company.

The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with all applicable International Financial Reporting Standards.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years presented by the financial statements.

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

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

(signed)
Thomas W. Meredith
Executive Chairman, acting as Chief Executive Officer

(signed)
John Kontak
President, acting as Chief Financial Officer

January 25, 2022
Toronto, Canada

West Red Lake Gold Mines Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at		September 30, 2021		September 30, 2020
Assets				
Current assets				
Cash and cash equivalents	**$**	**50,861**	$	1,948,177
Amounts receivable		**27,008**		60,243
Prepaid expenses and deposits		**17,427**		44,824
		95,296		2,053,244
Property and equipment (Note 6)		**13,045**		17,131
Right-of-use-asset (Note 7)		**35,607**		45,102
Exploration and evaluation costs (Note 8)		**15,263,007**		13,543,978
	$	**15,406,955**	$	15,659,455
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Note 13)	**$**	**159,383**	$	121,336
Current portion of lease liability (Note 9)		**37,251**		7,583
Deferred premium on flow-through shares (Note 10(b))		**-**		97,814
		196,634		226,733
Lease liability (Note 9)		**-**		37,251
Deferred income tax liabilities (Note 15)		**666,576**		474,700
		863,210		738,684
Shareholders' Equity				
Share capital (Note 10)		**28,625,700**		28,083,098
Reserves		**10,053,715**		9,389,061
Deficit		**(24,135,670)**		(22,551,388)
		14,543,745		14,920,771
	$	**15,406,955**	$	15,659,455

Nature of operations and going concern (Note 1)
Commitment and contingencies (Note 14)
Subsequent events (Note 16)

Approved by the Board:

signed "Michael Dehn", Director

signed "Daniel Crandall", Director

The accompanying notes are an integral part of these financial statements

West Red Lake Gold Mines Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended September 30, 2021	Year Ended September 30, 2020
Expenses		
Professional fees (Note 13)	**$ 139,927**	$ 155,485
Office general and administrative (Note 13)	**29,373**	(101,822)
Management fees (Note 13)	**270,000**	187,500
Shareholder information	**82,271**	82,838
Insurance	**5,507**	1,652
Depreciation (Notes 6 and 7)	**13,581**	6,653
Marketing	**3,629**	5,935
Investor relations	**385,352**	445,050
Travel and entertainment	**5,262**	19,267
Share-based payments (Note 12)	**580,425**	569,315
Accretion (Note 9)	**2,070**	576
	1,517,397	1,372,449
Loss from operations	**(1,517,397)**	(1,372,449)
Gain on settlement of debt (Note 10)	**33,567**	90,566
Loss before taxes for the year	**(1,483,830)**	(1,281,883)
Deferred tax (recovery) (Note 15)	**(100,452)**	24,947
Loss and comprehensive loss for the year	**$ (1,584,282)**	$ (1,256,936)
Basic and diluted loss per share	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding - Basic and diluted	**180,639,087**	154,082,920

The accompanying notes are an integral part of these financial statements

West Red Lake Gold Mines Inc.

Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

			Reserves			
	Number of Shares	Share Capital	Warrants Reserve	Share-based Payments	Deficit	Total
Balance, September 30, 2019	**139,812,025**	**$ 25,288,296**	**$ 291,700**	**$ 8,091,240**	**$ (21,294,452)**	**$ 12,376,784**
Units issued	25,870,000	2,604,100	-	-	-	2,604,100
Share issue costs	-	(134,532)	16,000	-	-	(118,532)
Warrants issued	-	(647,948)	647,948	-	-	-
Deferred premium on flow-through units issued	-	(153,531)	-	-	-	(153,531)
Shares issued to settle debt	3,914,653	257,771	9,000	-	-	266,771
Exercise of warrants	4,902,000	487,800	-	-	-	487,800
Fair value of warrants exercised	-	176,882	(176,882)	-	-	-
Exercise of options	1,450,000	145,000	-	-	-	145,000
Fair value of options exercised	-	59,260	-	(59,260)	-	-
Share-based payments	-	-	-	569,315	-	569,315
Net loss for the year	-	-	-	-	(1,256,936)	(1,256,936)
Balance, September 30, 2020	**175,948,678**	**$ 28,083,098**	**$ 787,766**	**$ 8,601,295**	**$ (22,551,388)**	**$ 14,920,771**
Units issued	3,333,400	400,008	-	-	-	400,008
Share issue costs	116,669	(7,610)	-	-	-	(7,610)
Warrants issued	-	(111,000)	111,000	-	-	-
Shares issued to settle debt	1,678,334	167,833	-	-	-	167,833
Exercise of warrants	882,000	46,600	-	-	-	46,600
Fair value of warrants exercised	-	16,876	(16,876)	-	-	-
Exercise of options	200,000	20,000	-	-	-	20,000
Fair value of options exercised	-	9,895	-	(9,895)	-	-
Warrant expiry	-	-	(154,910)	154,910	-	-
Share-based payments	-	-	-	580,425	-	580,425
Net loss for the year	-	-	-	-	(1,584,282)	(1,584,282)
Balance, September 30, 2021	**182,159,081**	**$ 28,625,700**	**$ 726,980**	**$ 9,326,735**	**$ (24,135,670)**	**$ 14,543,745**

The accompanying notes are an integral part of these financial statements

WEST RED LAKE GOLD MINES INC

West Red Lake Gold Mines Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended September 30, 2021	Year Ended September 30, 2020
Cash flow - Operating activities		
Net loss for the year	**$ (1,584,282)**	$ (1,256,936)
Adjustments for non-cash items:		
Share-based payments	**580,425**	569,315
Depreciation	**13,581**	6,653
Accretion	**2,070**	576
Deferred income tax (recovery)	**100,452**	(24,947)
Gain on settlement of debt	**(33,567)**	(90,566)
Net changes in non-cash working capital balances:		
Amounts receivable	**33,235**	(41,976)
Prepaid expenses and deposits	**27,397**	(10,518)
Accounts payable and accrued liabilities	**247,508**	159,104
	(613,181)	(689,295)
Cash flow - Investing activities		
Exploration and evaluation costs - acquisition	**(10,000)**	(10,000)
Exploration and evaluation costs - exploration, net of reimbursements	**(1,717,090)**	(1,018,070)
Additions to property and equipment	**-**	(5,035)
	(1,727,090)	(1,033,105)
Cash flow - Financing activities		
Issue of units, net of issue costs	**386,008**	2,446,068
Repayment of obligation under capital lease	**(9,653)**	(3,218)
Proceeds on exercise of warrants	**46,600**	487,800
Proceeds on exercise of options	**20,000**	145,000
	442,955	3,075,650
Change during the year	**(1,897,316)**	1,353,250
Cash and cash equivalents, beginning of year	**1,948,177**	594,927
Cash and cash equivalents, end of year	**$ 50,861**	$ 1,948,177

The accompanying notes are an integral part of these financial statements

WEST RED LAKE GOLD MINES INC

1. Nature of operations and going concern

West Red Lake Gold Mines Inc. (the "Company") was incorporated on November 29, 1991 under the Business Corporations Act (Ontario). On May 30, 2012, the Company changed its name from "Hy Lake Gold Inc." to "West Red Lake Gold Mines Inc.". Effective June 29, 2012 the common shares of West Red Lake commenced trading on the Canadian Securities Exchange ("CSE") under the trading symbol RLG and prior to that it traded under the symbol HYL.

The Company commenced its current business activities of acquiring, exploring and developing mineral properties on October 1, 2005. Substantially all of the efforts of the Company are devoted to these business activities. To date the Company has not earned significant revenue and is considered to be in the exploration stage. The ability of the Company to carry out its business plan rests with its ability to secure equity and other financing.

As at September 30, 2021, the Company had a negative working capital of $101,338 (September 30, 2020 - working capital of $1,826,511), had not yet achieved profitable operations, has accumulated losses of $24,135,670 (September 30, 2020 - $22,551,388) and expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. The Company is in the exploration stage and has no proven reserves or production relating to its operations. The application of the going concern assumption is dependent upon the Company’s ability to generate future profitable operations and obtain necessary financing to do so.

Management believes the Company has or can obtain sufficient financing to cover planned operations throughout the next twelve month period. Management plans on securing additional financing through the issue of new equity, among other things. There is no assurance that these initiatives will be successful.

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The business of mining and exploring for minerals involves a high degree of risk and there is no guarantee that the Company's exploration programs will yield positive results or that the Company will be able to obtain the necessary financing to carry out the exploration and development of its mineral property interests.

Management believes the going concern assumption to be appropriate for these financial statements. If the going concern assumption was not appropriate, adjustments might be necessary to the carrying value of the assets and liabilities, reported revenues and expenses, and the balance sheet classifications used in the financial statements.

The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the development of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, undetected defects, unregistered claims, native land claims, and non-compliance with regulatory and environmental requirements.

The primary office of the Company is located at 82 Richmond Street East, Suite 200, Toronto, Ontario M5C 1P1.

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

The Government of Ontario allows mining activity to continue pursuant to regulations related to COVID-19 and therefore the Company continues to plan and carry out exploration activities.

2. Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these financial statements are based on IFRSs issued and outstanding as of January 25, 2022, the date the Board of Directors approved the statements.

3. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified as at fair value through profit or loss, which are measured at fair value. All items were initially recorded at fair value.

The functional currency of the Company is the Canadian dollar.

(b) Financial assets and liabilities

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and

ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

i) amortized cost;

ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,

iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

3. Significant accounting policies (Continued)

(b) Financial assets and liabilities (Continued)

Classification and measurement (Continued)

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial asset consists of cash and cash equivalents, which are classified and measured at FVTPL, with realized and unrealized gains or losses related to changes in fair value reported in net loss.

The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial 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 at 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.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid short-term interest bearing investments.

(d) Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

3. Significant accounting policies (Continued)

(e) Per share information

Basic loss per share is computed by dividing the loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted loss per share is computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the year. Options and warrants are anti-dilutive and, therefore, have not been taken into account in the per share calculations.

(f) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

(g) Exploration and evaluation costs

Prior to obtaining property exploration rights, all costs incurred on properties are expensed. Subsequent to obtaining exploration rights, the Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties. Such costs include, but are not exclusive to geological and geophysical studies, exploratory drilling and sampling. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes reimbursements as a reduction in exploration and evaluation costs, costs recovered on mineral properties when amounts are received. Any reimbursement in excess of the carrying amounts are recognized in income.

3. Significant accounting policies (Continued)

(g) Exploration and evaluation costs (Continued)

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that an exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

(h) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company had no material provisions at September 30, 2021 or September 30, 2020.

(i) Property and equipment

Equipment or property is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment or property consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Amortization of equipment or property commences when the asset is available for use. Equipment or property is amortized over its estimated useful life using the declining-balance method, which is based on the cost of an item of equipment or property, less its estimated residual value. The following rates are used:

Computer equipment	30%
Machinery and equipment	20%
Vehicles	30%

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

An item of equipment or property is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the statements of comprehensive income or loss.

Where an item of equipment or property consists of major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

3. Significant accounting policies (Continued)

(j) Leases and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

A lease liability is initially measured at the present value of the unpaid lease payments. Subsequently, the Company measures a lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs.

The Company elected to not recognize right-of-use assets and lease liabilities that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

(k) Share-based payment transactions

The fair value of equity-settled share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

The fair value of share based payments to non-employees and other share-based payments are based on the fair value of the goods or services received. If the Company cannot estimate reliably the fair value of the goods or services received, the Company measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted at the date the Company receives the goods or services.

3. Significant accounting policies (Continued)

(l) Flow-through shares

Flow-through shares are a unique Canadian tax incentive. Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"), the Company may apply judgment on accounting policies in the absence of specific guidance within IFRS. Therefore, the Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid (if any) by the investors and is then recognized as a deferred tax recovery on renunciation to the tax authorities and when the required spending is complete.

(m) Significant accounting judgments and estimates

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 reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, 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.

(n) Critical accounting estimates

Significant assumptions about the future that management has made 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:

Share-based payments

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based compensation in the statements of loss and comprehensive loss, based on estimates of forfeiture and expected lives of the underlying stock options.

Warrants

Management is required to make certain estimate on all inputs in the Black-Scholes option-pricing model, when determining the fair value of warrants included in unit financings.

3. Significant accounting policies (Continued)

(o) Critical accounting judgments

Income taxes and recovery of deferred tax assets

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Going concern assumption

Going concern presentation of the financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company can obtain sufficient financing to cover planned operations throughout the next twelve month period and fund the working capital deficiency.

Restoration, rehabilitation and environmental obligations

Management's assumption of no material restoration, rehabilitation and environmental exposure, is based on the facts and circumstances that existed in the current and prior periods.

Capitalization of exploration and evaluation costs and recoverability

At the end of each reporting period, the Company reviews the carrying amounts of its exploration and evaluation costs to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the exploration and evaluation costs are estimated in order to determine the extent of the impairment loss. Management has determined the recoverable amount is greater than the carrying value.

(p) Fair value hierarchy

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of cash and cash equivalents approximates their carrying amounts due to the relatively short period to maturity. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the statement of financial position, have been prioritized into three levels as per the fair value hierarchy.

Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data. Financial instruments measured at fair value include cash and cash equivalents, which are measured as level one.

4. Capital management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserves and deficit which at September 30, 2021 totaled $14,543,745 (September 30, 2020 - $14,920,771).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. The Company's capital management objectives, policies and processes have remained unchanged during the year ended September 30, 2021. The Company is not subject to any externally imposed capital requirements.

In connection with the flow-through share financing that closed during the years ended September 30, 2021 and September 30, 2020, the Company has committed to incur qualifying Canadian exploration expenditures (see note 14).

5. Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has credit risk arising from operations as the joint venture partner's interest in the joint venture can be diluted for non-payment of its share of expenditures. Cash and cash equivalents are on deposit with a Canadian chartered bank, from which management believes the risk of loss is remote. The Company's maximum exposure to credit risk as at September 30, 2021 is the carrying value of cash and cash equivalents.

Interest rate risk

The Company has cash and cash equivalents bearing fixed interest rates and no variable interest bearing debt. The Company's current policy is to invest excess cash in investment-grade short term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(Expressed in Canadian Dollars)

5. Financial risk factors (Continued)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2021, the Company had current assets of $95,296 (September 30, 2020 - $2,053,244) to settle current liabilities of $196,634 (September 30, 2020 - $226,733). The ability of the Company to continue to pursue its exploration activities and continue as a going concern is dependent on its ability to secure additional equity or other financing. All of the Company’s financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at September 30, 2021, the Company had negative working capital of $101,338 (September 30, 2020 - working capital of - $1,826,511).

6. Property and equipment

Cost

	Computer Equipment	Machinery and Equipment	Vehicles	Total
Balance, September 30, 2019	$ 10,638	$ 161,114	$ 66,405	$ 238,157
Additions	5,035	-	-	5,035
Balance, September 30, 2020	15,673	161,114	66,405	243,192
Balance, September 30, 2021	**$ 15,673**	**$ 161,114**	**$ 66,405**	**$ 243,192**

Accumulated depreciation

	Computer Equipment	Machinery and Equipment	Vehicles	Total
Balance, September 30, 2019	$ 9,732	$ 147,946	$ 64,104	$ 221,782
Depreciation	955	2,633	691	4,279
Balance, September 30, 2020	10,687	150,579	64,795	226,061
Depreciation	1,496	2,107	483	4,086
Balance, September 30, 2021	**$ 12,183**	**$ 152,686**	**$ 65,278**	**$ 230,147**

Carrying amounts

	Computer Equipment	Machinery and Equipment	Vehicles	Total
At September 30, 2020	$ 4,986	$ 10,535	$ 1,610	$ 17,131
At September 30, 2021	**$ 3,490**	**$ 8,428**	**$ 1,127**	**$ 13,045**

(Expressed in Canadian Dollars)

7. Right-of-use assets

Cost

	Truck
Balance, September 30, 2019	$ -
Additions	47,476
Balance, September 30, 2020	47,476
Balance, September 30, 2021	**$ 47,476**

Accumulated depreciation

	Truck
Balance, September 30, 2019	$ -
Depreciation	2,374
Balance, September 30, 2020	2,374
Depreciation	9,495
Balance, September 30, 2021	**$ 11,869**

Carrying amounts

	Truck
At September 30, 2020	$ 45,102
At September 30, 2021	**$ 35,607**

(Expressed in Canadian Dollars)

8. Exploration and evaluation costs

On a quarterly basis, management of the Company reviews exploration costs to ensure mineral properties and deferred exploration expenditures include only costs and projects that are eligible for capitalization.

	Balance, September 30, 2020	Acquisition	Exploration	Reimbursements	Balance, September 30, 2021
Mount Jamie	$ 5,669,946	$ 10,000	$ 660	$ -	**$ 5,680,606**
Rowan	7,220,073	-	1,708,369	-	**8,928,442**
Red Summit	653,959	-	-	-	**653,959**
	$ 13,543,978	$ 10,000	$ 1,709,029	$ -	**$ 15,263,007**

	Balance, September 30, 2019	Acquisition	Exploration	Reimbursements	Balance, September 30, 2020
Mount Jamie	$ 5,659,253	$ 10,000	$ 693	$ -	**$ 5,669,946**
Rowan	6,230,029	-	990,044	-	**7,220,073**
Red Summit	653,959	-	-	-	**653,959**
	$ 12,543,241	$ 10,000	$ 990,737	$ -	**$ 13,543,978**

The Company's properties are as follows:

The 3100 hectare West Red Lake Project consists of three contiguous properties located in Red Lake Mining Division, District of Kenora (Patricia Portion), Northwestern Ontario. The West Red Lake Project is 20km west of Balmertown, Ontario, 250km northeast of Winnipeg, Manitoba, 150km north northwest of Dryden, Ontario and 430km northwest of Thunder Bay, Ontario. The property is part of the historic Red Lake Gold District and hosts three past producing mines - the Mount Jamie Mine, Rowan Mine, and Red Summit Mine.

(a) Mount Jamie

The Mount Jamie Mine property is comprised of 26 claims which were assembled through a series of transactions of properties that are contiguous to and include the original nine claim Mount Jamie Mine property.

(1) In 2005, the Company entered an option agreement to acquire a 75% interest in nine patented mining claims from Jamie Frontier Resources Inc. for $80,000 in cash, 550,000 common shares of the Company, exploration work totaling $1 million, and a 3% Net Smelter Royalty ("NSR").

During 2007, the Company completed the acquisition of the remaining 25% interest in the Mount Jamie Mine property for 2,000,000 common shares of the Company. The Company now has a 100% interest in the nine mining claims located in the Red Lake Gold District in Ontario.

8. Exploration and evaluation costs (Continued)

(a) Mount Jamie (continued)

(2) During 2007, the Company entered into an option agreement to earn a 100% interest in five mining claims contiguous to the east of the Mount Jamie Mine property. Total consideration for these claims consisted of cash payments of $70,000, the issuance of 200,000 common shares of the Company and a commitment to carry out exploration work totaling $140,000, or cash/shares in lieu of, over a four year period. In February 2012, having met all of the requirements under the option agreement, the Company exercised its option and now owns a 100% interest in the mining claims. The property is subject to a 3% NSR in favour of the vendors, with an annual advance royalty in the amount of $10,000 plus a onetime payment of $500,000 due on the Company completing a bankable feasibility study.

(3) During 2007, the Company entered into an option agreement to acquire a 100% interest in a six mining claim property adjacent to the Mount Jamie Mine property. The claims are contiguous to the west along strike with the Company's existing Mount Jamie Mine property. The Company issued 150,000 common shares as consideration and now owns a 100% interest in the property which is subject to a 3% NSR in favour of the vendors.

(4) During 2008, the Company entered into an option agreement with Rubicon Minerals Corporation to earn a 100% interest in four mining claims contiguous to the south of the Mount Jamie Mine property. The aggregate purchase price consisted of cash payments of $50,000 and the issuance of 75,000 common shares. The Company now holds a 100% interest in the four mining claims, which is subject to a 2% NSR in favour of Rubicon Minerals Corporation.

(5) During 2010, the Company entered into an option agreement to earn a 100% interest in two mining claims contiguous to the east of the Mount Jamie Mine property. The aggregate purchase price consists of cash payments of $125,000 and the issuance of 100,000 common shares of the Company over a four year period to 2014. Payments under the original option amounted to $85,000 cash and 100,000 common shares. The Company now holds 100% interest in the two mining claims, which is subject to a 2% NSR in favour of Rubicon Minerals Corporation. On November 24, 2014, the Company amended the option agreement to change the remaining cash commitment of $40,000 for the year ending September 30, 2015 into two payments with each consisting of $11,000 and 250,000 common shares on December 31, 2014 (paid and issued) and December 31, 2015 (paid and issued subsequent to September 30, 2015), respectively.

(b) Rowan

During 2008, the Company entered into an Option and Joint Venture Agreement with Red Lake Gold Mines ("RLGM"), related to RLGM's 117 claim, 2,187 hectare Rowan Mine property, which is contiguous to the east of the Mount Jamie Mine property.

During fiscal 2011, the Company met the requisite exploration expenditures of $2,500,000 on the Rowan Mine property and exercised its option to acquire a 60% joint venture ownership interest in the property. RLGM advised the Company that it did not intend to exercise the option back-in right to purchase a 20% interest in the property for $5,000,000. Accordingly, the Company issued 1,000,000 common shares in favour of RLGM, with a fair value of $340,000.

Subsequent to the formation of the joint venture, RLGM had a joint venture back-in right to purchase 11% interest in the property from the Company, within 90 days of the joint venture expending $5,000,000 on operations, for $7,000,000. If RLGM exercised the joint venture back-in right, it would thereafter have a 51% joint venture interest and the Company would have a 49% joint venture interest in the Rowan Mine property.

During the year ended September 30, 2019, the joint venture expenditures reached $5,000,000 and RLGM gave notice that it would not exercise the back-in right and the back-in right terminated.

The Joint Venture Agreement provides that if a participant's interest falls below 10% the interest converts to a 2% NSR.

(Expressed in Canadian Dollars)

8. Exploration and evaluation costs (Continued)

(b) Rowan (continued)

During the year ended September 30, 2020, Evolution Mining Limited ("Evolution Mining") acquired a 40% interest in the Rowan Mine property.

The Company sole funded certain exploration activities on the Rowan Mine property and therefore has increased its interest in the joint venture to 69% with the remaining 31% held by Evolution Mining.

(c) Red Summit

During 2008, the Company entered into an option agreement with Claude Resources Inc. to earn a 100% interest in two patented mining claims containing the former Red Summit Mine and surrounded by the Rowan Mine property. Total consideration for the claims included a cash payment of $25,000 plus work commitments of $100,000. The Company has made the cash payment and completed its work commitments. The mining claims have been transferred into the name of the Company.

The property is subject to a 3% NSR.

9. Lease liability

In June 2020, the Company entered into a lease agreement for a truck. The lease is for a 2-year term, expiring in May 2022. The lease liability was discounted using the Company's estimated incremental borrowing rate of 5%.

	Truck
Balance, September 30, 2019	$ -
Additions	47,476
Accretion	576
Lease payments	(3,218)
Balance, September 30, 2020	44,834
Accretion	2,070
Lease payments	(9,653)
	37,251
Less: current portion	(37,251)
Balance, September 30, 2021	$ -

10. Share capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

Shares issued during the year ended September 30, 2020, were as follows:

(i) In December 2019, the Company completed a non-brokered private placement of 1,430,000 flow-through units at a price of $0.07 per unit for gross proceeds of $100,100. Each flow-through unit consisted of one common share in the capital of the Company and one half of a common share purchase warrant. Each whole warrant entitled its holder to purchase one additional common share at a price of $0.10 for a period of 18 months from the date of issuance. In connection with the financing, the Company paid finders' fees of $4,900.

The 715,000 warrants were assigned a fair value of $25,000 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate - 1.71%; expected volatility - 128% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1.5 years; share price - $0.07.

(ii) In January 2020, the Company issued 1,285,716 common shares with a fair value of $90,000 to settle $90,000 of debt owed by the Company.

(iii) In March 2020, the Company completed a non-brokered private placement of common share units and flow-through share units for aggregated gross proceeds of $842,000.

The Company issued 1,420,000 flow-through units at a price of $0.075 per flow-through unit for gross proceeds of $106,500. Each flow-through unit consisted of one flow-through common share in the capital of the Company and one half of a common share purchase warrant. Each whole warrant entitled its holder to purchase one additional common share at a price of $0.10 per share for a period of 18 months from the date of issuance.

The flow-through units were issued at a premium to the market price in recognition of the tax benefits accruing to the shareholders. The deferred premium on flow-through units was calculated to be $55,930.

The 710,000 warrants were assigned a fair value of $12,000 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate - 0.51%; expected volatility - 123% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1.5 years; share price - $0.045.

The Company issued 14,710,000 common share units ("March 2020 Unit") at a price of $0.05 per March 2020 Unit for gross proceeds of $735,500. Each March 2020 Unit consisted of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common share at a price of $0.10 for a period of 30 months from the date of issuance.

The 14,710,000 warrants were assigned a fair value of $335,948 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate - 0.51%; expected volatility - 134% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 2.5 years; share price - $0.04.

10. Share capital (Continued)

(b) Issued (continued)

(iii) (continued) In connection with the financing, the Company paid finders' fees of $48,932 in cash and issued 880,000 broker warrants exercisable into March 2020 Units at $0.05 for a period of 12 months.

The 880,000 broker warrants were assigned a fair value of $16,000 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate - 0.51%; expected volatility - 114% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1 year; share price - $0.05.

(iv) In March 2020, the Company issued 2,067,602 common shares with fair value of $82,704 to settle $155,070 of debt owed by the Company. As a result the Company recorded a gain on settlement of debt of $72,366.

(v) In August 2020, the Company completed a non-brokered private placement of 8,310,000 flow-through units at $0.20 per flow-through unit for aggregated gross proceeds of $1,662,000. Each flow-through unit consisted of one flow-through common share in capital of the Company and one half of a common share purchase warrant. Each full warrant entitles its holder to purchase one common share in the capital of the Company at an exercise price of $0.25 per share for a period of 18 months from the date of issuance. In connection with the financing, the Company paid finders' fees of $113,200.

The flow-through units were issued at a premium to the market price in recognition of the tax benefits accruing to the shareholders. The deferred premium on flow-through units was calculated to be $97,601.

The 4,155,000 warrants were assigned a fair value of $275,000 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate – 0.28%; expected volatility – 120% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1.5 years; share price - $0.155.

(vi) In August 2020, the Company issued 258,000 common share units with fair value of $51,600 to settle $51,600 of debt owed by the Company. Each common share unit consisted of one common share in capital of the Company and one half of a common share purchase warrant. Each full warrant entitles its holder to purchase one common share in the capital of the Company at an exercise price of $0.25 per share for a period of 18 months from the date of issuance.

The 129,000 warrants were assigned a fair value of $9,000 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate – 0.28%; expected volatility – 120% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1.5 years; share price - $0.155.

(vii) In September 2020, the Company issued 303,335 common shares with fair value of $42,467 to settle $60,667 of debt owed by the Company. As a result the Company recorded a gain on settlement of debt of $18,200.

(viii) During the year ended September 30, 2021, 4,902,000 warrants (note 11) and 1,450,000 stock options (note 12) were exercised for total proceeds of $632,800. In conjunction with these exercises, the grant date fair values of $176,882 and $59,260 were transferred from warrant reserve and share-based payments reserve, respectively, to share capital.

10. Share capital (Continued)

(b) Issued (continued)

Shares issued during the year ended September 30, 2021, were as follows:

(ix) On December 31, 2020, the Company completed a non-brokered private placement of 3,333,400 flow-through units at a price of $0.12 per unit for gross proceeds of $400,008. Each flow-through unit consisted of one common share in the capital of the Company and one half of a common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at a price of $0.20 for a period of 18 months from the date of issuance. In connection with the financing, the Company paid finders' fees of $14,000 and issued 116,669 common shares..

The 1,666,700 warrants were assigned a fair value of $64,000 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate - 0.20%; expected volatility - 121% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1.5 years; share price - $0.10.

(x) In December 2020, the Company issued 373,333 common shares with a fair value of $37,333 to settle $44,800 of debt owed by the Company. As a result, the Company recorded a gain on settlement of debt of $7,467.

(xi) In January 2021, the Company issued 1,305,001 common shares with a fair value of $130,500 to settle $156,600 of debt owed by the Company. As a result, the Company recorded a gain on settlement of debt of $26,100.

(xii) During the year ended September 30, 2021, 882,000 warrants (note 11) and 200,000 stock options (note 12) were exercised for total proceeds of $66,600. In conjunction with these exercises, the grant date fair values of $16,876 and $9,895 were transferred from the warrants reserve and share-based payments reserve, respectively, into share capital.

(Expressed in Canadian Dollars)

11. Warrants

The following summarizes the warrant activity for the years ended September 30, 2020 and September 30, 2021:

	Number of Warrants	Weighted Average Exercise Price($)
Balance, September 30, 2019	7,016,500	0.10
Exercised (i)	(4,902,000)	0.10
Issued (Note 10(b)(i), (iii), (v) and (vi))	21,347,000	0.13
Balance, September 30, 2020	23,461,500	0.13
Exercised (ii)(iii)	(882,000)	0.05
Issued ((iii) and Note 10(b)(ix))	2,498,700	0.17
Expired	(3,687,500)	0.10
Balance, September 30, 2021	**21,390,700**	**0.14**

(i) The weighted average common share price on date of exercise was $0.15.

(ii) The weighted average common share price on date of exercise was $0.05.

(iii) During the year ended September 30, 2021, 832,000 broker warrants were exercised into March 2020 Units (see note 10(b)(iii)), which resulted in the Company issuing 832,000 common shares and 832,000 common share purchase warrants. The 832,000 warrants were assigned a fair value of $47,000 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate - 0.22%; expected volatility - 120% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1.6 years; share price - $0.10.

As at September 30, 2021, the following warrants were outstanding:

Expiry Date	Number of Warrants	Exercise Price($)
February 28, 2022	4,155,000	0.25
March 14, 2022	129,000	0.25
June 30, 2022	1,666,700	0.20
September 12, 2022	15,440,000	0.10
	21,390,700	**0.14**

(Expressed in Canadian Dollars)

12. Stock options

The Company has a stock option plan (the "Plan") under which the directors of the Company may grant options to acquire common shares of the Company to directors and officers, employees, and consultants of the Company. Exercise prices cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the maximum term of any option cannot exceed five years. The options vest immediately unless otherwise specified. The maximum aggregate number of common shares under options any time under the Plan cannot exceed 10% of the issued shares.

The following summarizes the stock option activity for the years ended September 30, 2020 and September 30, 2021:

	Number of Stock Options	Weighted Average Exercise Price($)
Balance, September 30, 2019	1,500,000	0.16
Exercised	(1,450,000)	0.10
Expired	(550,000)	0.16
Granted (i)(ii)(iii)(iv)(v)	7,600,000	0.15
Balance, September 30, 2020	7,100,000	0.16
Exercised	(200,000)	0.10
Expired	(400,000)	0.25
Granted (vi)(vii)	9,150,000	0.12
Balance, September 30, 2021	**15,650,000**	**0.14**

(i) In March 2020, the Company granted 2,000,000 stock options to consultants and directors of the Company at an exercise price of $0.10. The options expire 5 years from grant and vested immediately. A fair value of $70,740 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.52%; expected volatility - 157% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 5 years; and share price - $0.04.

(ii) In May 2020, the Company granted 1,900,000 stock options to consultants of the Company at an exercise price of $0.10. The options expire 2 years from grant. 700,000 stock options vested after 4 months from the grant, 600,000 stock options vested after 8 months from the grant, and 600,000 stock options vested after 12 months from the grant. A fair value of $94,000 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.28%; expected volatility - 134% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 2 years; and share price - $0.08. For the year ended September 30, 2021, $31,425 (year ended September 30, 2020 - $62,575) was expensed to share-based payments.

(iii) In July 2020, the Company issued 2,700,000 stock options to consultants of the Company at an exercise price of $0.20. The options expire 3 years after the grant and vested immediately. A fair value of $311,000 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.30%; expected volatility - 132% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 3 years; and share price - $0.16.

(Expressed in Canadian Dollars)

12. Stock options (Continued)

(iv) In August 2020, the Company issued 500,000 stock options to a certain director and consultants of the Company at an exercise price of $0.20. The options expire 3 years after the grant and vested immediately. A fair value of $69,000 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.26%; expected volatility - 134% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 3 years; and share price - $0.185.

(v) In September 2020, the Company issued 500,000 stock options to consultants of the Company at an exercise price of $0.20. The options expire 3 years after the grant and vested immediately. A fair value of $56,000 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.27%; expected volatility - 133% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 3 years; and share price - $0.155.

(vi) In January 2021, the Company granted 6,250,000 stock options to consultants of the Company at an exercise price of $0.12. The option expire 2 years from grant and vested immediately. A fair value of $352,000 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.20%; expected volatility - 119% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 2 years; and share price - $0.10.

(vii) In January 2021, the Company granted 2,900,000 stock options to a consultant of the Company at an exercise price of $0.12. The option expire 2 years from grant and vested immediately. A fair value of $197,000 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.16%; expected volatility - 119% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 2 years; and share price - $0.115.

The following table provides additional information about outstanding stock options as at September 30, 2021:

Expiry	Exercise Price ($)	Contractual Life (Years)	Number of Options Outstanding	Number of Options Exercisable
May 15, 2022	0.10	0.62	1,700,000	1,700,000
January 1, 2023	0.12	1.25	6,250,000	6,250,000
January 28, 2023	0.12	1.33	2,900,000	2,900,000
July 13, 2023	0.20	1.78	2,700,000	2,700,000
August 5, 2023	0.20	1.85	500,000	500,000
September 2, 2023	0.20	1.92	500,000	500,000
March 12, 2025	0.10	3.45	1,100,000	1,100,000
	0.14	**1.49**	**15,650,000**	**15,650,000**

(Expressed in Canadian Dollars)

13. Related party transactions

The Company considers key management to be officers and directors. During the year ended September 30, 2021, $294,000 (year ended September 30, 2020 - $263,243) of fees were paid or accrued to key management and companies controlled by or related to key management.

Remuneration of officers and directors of the Company was as follows:

	Year Ended September 30, 2021	Year Ended September 30, 2020
Salaries and benefits	**$ 294,000**	$ 221,500
Share-based payments	**-**	41,743

Officers and directors of the Company were also reimbursed out of pocket expenses that occurred in the normal course of operations.

At September 30, 2021, accounts payable and accrued liabilities includes $19,864 (September 30, 2020 - $29,369) owing to officers, directors and companies controlled by officers and directors.

An officer and director purchased an aggregate of 165,000 flow-through units in the December 2019 private placement (see note 10(b)(i)) and 400,000 flow-through units in the March 2020 private placement (see note 10(b)(iii)).

During the year ended September 30, 2020, the Company issued 413,334 common shares with a fair value of $16,533 to settle $31,000 of balances owing for services from an officer and a director of the Company (see note 10(b)(iv)).

Accilent Capital Management Inc., ("Accilent") a significant shareholder, participated in the following private placements:

- an aggregate of 1,000,000 flow-through units and was paid finder's fees of $4,900 in the December 2019 private placement (see note 10(b)(i));
- an aggregate of 140,000 flow-through units in the March 2020 private placement and was paid finder's fees of $732 (see note 10(b)(iii));
- an aggregate of 750,000 flow-through units in the August 2020 private placement and was paid finder's fees of $12,000, which was settled with 60,000 common share units (see note 10(b)(v) and (vi)); and
- an aggregate of 3,333,400 flow-through units in the December 2020 private placement and was paid finder's fees of $14,000 and 116,669 common shares (see note 10(b)(ix)).

During the year ended September 30, 2021, the Company expensed $15,659 (year ended September 30, 2020 - $15,497) in rent and $44,800, respectively (year ended September 30, 2020 - $nil) in professional fees to Accilent.

During the year ended September 30, 2021, the Company issued 373,333 common shares with a fair value of $37,333 to Accilent to settle $44,800 of balances owing for services from Accilent (see note 7(b)(iii).

The above noted transactions are in the normal course of business and are approved by the Board of Directors.

13. Related party transactions (Continued)

As at September 30, 2021, directors and officers of the Company that individually control less than 10% of the common shares collectively control 7,015,586 common shares of the Company or approximately 4% of shares outstanding.

As at September 30, 2021, Accilent has indirect control and direction over 40,880,201 common shares and direct control and direction over 1,425,877 common shares of the Company, representing approximately 23% of shares outstanding.

To the knowledge of directors and officers of the Company, the remainder of the Company's outstanding common shares are widely held. These holdings can change at any time, at the sole discretion of the shareholders.

14. Commitment and contingencies

Pursuant to the letter of agreement dated March 5, 2007 related to the 5 Golden Tree claim portion of the 26 claim Mount Jamie Mine property, a one-time payment of $500,000 is to be paid within 30 days of the Company obtaining a bankable feasibility study. In addition, the Company must make advance royalty payments of $10,000 per year, which will be deductible from future net smelter royalties, if any.

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. The Company has an obligation to spend $2,168,508 prior to December 31, 2021. As at September 30, 2021, the balance of the obligation is approximately $364,000. Under the recent Federal Budget legislation (Bill C-30) which was given Royal Assent on June 29, 2021, the Company has until December 31, 2022 to meet the remainder of the Canadian exploration expenditure obligation.

In June 2021, the Company entered into a change of control agreement (the "CofC") with Mr. Thomas Meredith, Executive Chairman of the Company, and Mr. John Kontak, President of the Company. Each CofC has identical terms and provide that, upon a change of control of the Company, as defined in the CofC, either Mr. Meredith or Mr. Kontak shall receive:

- 12 months compensation and a to be determined equity amount if either Mr. Meredith or Mr. Kontak resigns within 3 months of the change of control;
- 12 months compensation and a to be determined equity amount if either Mr. Meredith or Mr. Kontak is terminated with 12 months of the change of control; or
- should the change of control be the result of a hostile takeover, as defined in the CofC, Mr. Meredith or Mr. Kontak shall receive 24 months compensation and a to be determined equity amount.

(Expressed in Canadian Dollars)

15. Income taxes

(a) Provision for income taxes

The following table reconciles the expected income tax provision at the statutory tax rate of 26.5% (2020 - 26.5%) to the amounts recognized in the statement of loss:

	Year Ended September 30, 2021	2020
Net loss before income taxes	**$ (1,483,830)**	$ (1,281,883)
Expected tax recovery at statutory rates	**(393,215)**	(339,700)
Increase (decrease) resulting from		
True up of prior year timing differences	**(13,472)**	66,260
Share-based compensation and non-deductible expenses	**153,899**	152,583
Effect of flow-through renunciation	**353,240**	95,910
Total income tax (recovery)	**$ 100,452**	$ (24,947)
The Company's income tax (recovery) is allocated as follows:		
Current tax recovery	**$ -**	$ -
Deferred tax (recovery)	**100,452**	(24,947)
	$ 100,452	$ (24,947)

(b) Deferred tax balances

The tax effects of temporary differences that give rise to deferred tax assets and deferred tax liabilities at September 30, 2021 and 2020 are as follows:

As at	**September 30, 2021**	**2020**
Deferred income tax asset		
Non-capital tax losses carry-forward	**$ 2,655,470**	$ 2,383,750
Share issue costs	**43,220**	55,520
Fixed assets	**60,087**	59,000
Lease liability	**9,872**	11,880
	2,768,649	2,510,150
Deferred tax liabilities		
Deferred exploration expenses	**(3,425,789)**	(2,972,900)
Right-of-use asset	**(9,436)**	(11,950)
Net deferred tax liability	**$ (666,576)**	$ (474,700)

(c) Capital losses

The tax benefit of capital losses of $2,498,130 which can be carried forward indefinitely, has not been recognized in the financial statements due to the unpredictability of future capital gains.

16. Subsequent events

In December 2021, the Company completed a non-brokered private placement of 8,865,900 flow-through units at $0.07 per unit for gross proceeds of $620,613. Each flow-through unit consisted of one common share in the capital of the Company and one half of a common share purchase warrant. Each whole warrant entitled its holder to purchase one additional common share at an exercise price of $0.10 per share for a period of 24 months from the date of issuance. In connection with the financing, the Company paid finders' fees of $2,940 in cash and issued 500,003 common shares.

In January 2022, the Company issued 3,144,500 common shares to settle $220,115 of debt owed by the Company.

In January 2022, the Company granted 400,000 stock options to directors of the Company at an exercise price of $0.10. The options expire 5 years after the grant and vested immediately.