TARKU

RESOURCES

Condensed Consolidated Interim Financial Statements

Three months ended December 31, 2022

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim financial statements have been prepared by management. The company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

Tarku Resources Ltd.

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at December 31, 2022	As at September 30, 2022 (fiscal year end)
Current		
Cash and cash equivalents	$ 538,050	$ 535,377
Trade and other receivables	151,343	36,740
Prepaid	7,684	12,771
	697,077	584,888
Non-current		
Exploration and evaluation assets (note 4)	3,253,239	3,102,027
Total assets	$ 3,950,316	$ 3,686,915
Liabilities		
Current		
Trade and other payables (note 8)	$ 758,205	$ 295,987
Deferred flow through share premium (note 6)	303,731	303,731
	1,061,936	599,718
Non-current		
Convertible debenture (note 5)	401,044	389,502
Total Liabilities	1,462,980	989,220
Equity		
Share capital (note 6)	10,499,072	9,955,427
Equity component of debenture (note 5)	137,043	137,043
Shares to be issued	-	10,000
Contributed surplus	1,231,856	1,205,323
Deficit	(9,380,635)	(8,610,098)
	2,487,336	2,697,695
Total liabilities and equity	$ 3,950,316	$ 3,686,915

Nature of business and continuance of operations (note 1)

APPROVED ON BEHALF OF THE BOARD

“Julien Davy”	**"Kyle Appleby"**
President, CEO & Director	**CFO & Director**

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

Tarku Resources Ltd.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)

For the three months ended December 31, 2022 and December 31, 2021

(Expressed in Canadian Dollars)

	2022	2021
Expenses		
Administrative expenses	$ 29,833	$ 10,004
Consulting fees (note 8)	18,000	18,000
Exploration costs (notes 4 and 8)	650,892	41,428
Investor relations expenses	24,183	37,709
Listing and filing fees	6,705	1,814
Professional fees	2,671	38,547
Share-based compensation (notes 6 and 8)	26,533	-
Loss before other items	(758,817)	(147,502)
Interest and accretion	(11,542)	-
Gain on foreign exchange	(178)	(662)
Loss and comprehensive loss for the period	$(770,537)	$(148,164)
Basic and diluted loss per common share	$(0.01)	$(0.00)
Weighted average number of common shares outstanding - basic and diluted	87,833,153	59,035,357

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

Tarku Resources Ltd.

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

For the three months ended December 31, 2022 and December 31, 2021

(Expressed in Canadian Dollars)

	2022	**2021**
Operating activities		
Loss for the period	$ (770,537)	$(148,164)
Adjustments:		
Interest and accretion	11,542	-
Share-based compensation	26,533	-
Changes in non-cash working capital items:		
Prepaid	5,087	29,973
Trade and other receivables	(114,603)	(10,056)
Trade and other payables	462,218	(7,772)
	(379,760)	(136,018)
Financing activities		
Cash received from share issuance	540,000	760,000
Share issue costs	(6,355)	(43,258)
Loan repayments	-	(60,000)
	533,645	656,742
Investing activities		
Additions to exploration and evaluation assets, net of Income Tax Credits received	(151,212)	(208,634)
	(151,212)	(208,634)
Increase (decrease) in cash and cash equivalents	2,673	(312,090)
Cash and cash equivalents, beginning of period	535,377	71,985
Cash and cash equivalents, end of year	$ 538,050	$ 384,075
Cash and Cash Equivalents consists of:		
Cash	$ 538,050	$ 384,075

Supplemental cash flow information (Note 12)

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

Tarku Resources Ltd.

Condensed Consolidated Interim Statements of Changes in Equity (unaudited)

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Equity component of debenture	Shares to be issued	Contributed Surplus	Deficit	Equity
Balance, September 30, 2021	57,604,038	$ 7,836,847	$ -	$ -	$ 1,044,982	$ (7,181,252)	$ 1,700,577
Private placement	7,600,000	760,000	-	-	-	-	760,000
Property agreement	450,000	36,250	-	-	-	-	36,250
Share issue costs	-	(57,192)	-	-	13,934	-	(43,258)
Net loss and comprehensive loss	-	-	-	-	-	(148,164)	(148,164)
Balance, December 31, 2021	65,654,038	$ 8,575,905	$ -	$ -	$ 1,058,916	$ (7,329,416)	$ 2,305,405
Balance, September 30, 2022	86,338,588	$ 9,955,427	$ 137,043	$ 10,000	$ 1,205,323	$ (8,610,098)	$ 2,697,695
Private placement	13,750,000	550,000	-	(10,000)	-	-	540,000
Share issue costs	-	(6,355)	-	-	-	-	(6,355)
Share based compensation	-	-	-	-	26,533	-	26,533
Net loss and comprehensive loss	-	-	-	-	-	(770,537)	(770,537)
Balance, December 31, 2022	100,088,588	$ 10,499,072	$ 137,043	$ -	$ 1,231,856	$ (9,380,635)	$ 2,487,336

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

1. Nature of business and continuance of operations

The principal business activity of Tarku Resources Ltd. (the "Company") is the exploration for mineral resources in Arizona, U.S.A, and the province of Quebec. The Company's corporate office is located at 4710 Saint-Ambroise, suite 309B, Montréal, Quebec, H4C 2C7. The Company shares are listed on the TSX Venture Exchange under the symbol TKU, the OTCQB under the symbol TRKUF and the Frankfurt stock exchange under the symbol 7TK.

These consolidated financial statements ("financial statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operation. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. The use of these principles may not be appropriate. The Company has incurred losses since inception and expects to incur further losses in the development of its business and at December 31, 2022, the Company had a working capital deficit of $364,859 and at that date, the Company also had an accumulated deficit of $9,380,635 which has been funded primarily by the issuance of equity. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. This outbreak may increase difficulties in financing, access to properties and increased government regulations, all of which may adversely impact the Company's business and financial condition. To date, and at least the near future, the pandemic will continue to have, an impact on the Company's ability to operate efficiently in the field as a result of travel restrictions and necessary site safety measures. The impact on the efficiency of corporate activities has been minimal.

2. Basis of preparation

(a) Statement of compliance

The Company's financial statements for the period ended December 31, 2022 are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, has been omitted or condensed.

These financial statements were authorized for issue by the Board of Directors on February 28, 2023.

2. Basis of preparation (continued)

(b) Basis of consolidation

These financial statements include the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated on consolidation.

Subsidiary name	Place of Incorporation	Ownership	Principal activity
Eureka Exploration Inc. ("Eureka")	Quebec	100%	Exploration

(c) Use of Estimates and Judgments

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of management estimates include amounts of provisions, if any, for impairment of exploration and evaluation assets, reclamation and environmental obligations, deferred income taxes, share-based payments, and contingencies reported in the notes to the financial statements.

Significant areas requiring the use of management judgments include recognition of impairment of exploration and evaluation assets, reclamation and environmental obligations, deferred income taxes, share-based payments, classification of financial instruments, assessment of the going concern assumption, and disclosure of contingencies reported in the notes to the financial statements.

(d) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss (“FVTPL”) which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiary.

3. Significant Accounting Policies

The same accounting policies and methods of computation were followed in the preparation of these condensed interim financial statements as were followed in the preparation, and described in Note 3 of the annual audited financial statements as at and for the year ended September 30, 2022. Accordingly, these condensed consolidated interim financial statements for the three month period ended December 31, 2022 and 2021 should be read together with the annual financial statements as at and for the year ended September 30, 2022.

New standards, amendments and interpretations not yet adopted

There are no IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company

4. Exploration and evaluation assets

Silver Strike project, Arizona

On October 12, 2020, the Company signed an earn-in and joint venture agreement (the "First Agreement") with Mansfield Martin and associated parties (the "Vendors"), to earn up to a 75% interest over 3 years in the project by funding project expenditures of up to US$3,000,000 as follows:

- Tarku would acquire 25% of the Property after spending US$1,000,000 in exploration expenses within the first year of earn-in period
- Tarku would acquire an additional 26% (total of 51%) of the Property after spending an additional US$1,000,000 in exploration expenses and the production of a NI 43-101 report on the Property within the first 2 years of earn-in period
- Tarku would acquire an additional 24% (total of 75%) of the Property after spending an additional US$1,000,000 for a cumulative US$3,000,000 in exploration expenses within the first 3 years of earn-in period.

In addition, in accordance with the First Agreement, on April 30, 2021, Tarku issued 3,000,000 common shares to the Vendors. The shares are subject to resale restrictions of 4 equal periods of 6 months each and a right of first refusal will allow Tarku the opportunity to place these shares with existent shareholders at prevailing market prices.

At each anniversary date over the 3 years, Tarku was to pay US$175,000 to the Vendors, of which a minimum of US$50,000 will be a cash payment and US$125,000 will be paid either in shares or in cash at the Company's discretion.

On February 1, 2022, the Company entered into a binding agreement with EXLA Resources Ltd. ("EXLA") to purchase the underlying interests in the Property from the Vendors. On February 23, 2022, the Company entered into a new agreement (the "Second Agreement") with EXLA which provided the Company with immediate 100% ownership of the Property from EXLA.

The Second Agreement terminated the First Agreement and allowed Tarku to immediately acquire 100% of the 140 mining titles in Tombstone, now held by EXLA, in return for the following consideration:

- 7,000,000 Tarku' Shares (the "First Tranche Shares") issued to EXLA (issued February 25, 2022), which will give EXLA a 9.65% interest in Tarku and
- Issued to EXLA debentures being comprised of an aggregate five hundred thousand Canadian dollars (CAD$500,000) principal amount of a six percent (6%) convertible unsecured subordinated debenture due in 60 months (5 years). Each debenture is convertible at a price of CAD$0.10.

(Expressed in Canadian dollars)

4. Exploration and evaluation assets (continued)

- Granted EXLA a first right of refusal (ROFR) allowing EXLA the right to maintain its ownership position by participating in subsequent Tarku financings;
- Awarded EXLA a two percent (2%) NSR on the Property, one percent (1%) of which can be repurchased by Tarku for one million US dollars (USD$1,000,000).

Tarku also has options to acquire an additional 33 patented claims in the historical area of Tombstone under agreements between third parties and the Vendors, namely the Rohe, Corkran, and Turner Options (the "Options"). These agreements are separate and independent from the First Agreement and Second Agreements. These Options require various cash payments with a total cost of US$ 700,000. The payments are spread out until October 2021 (completed) for the Corkran Option, July 2023 for the Turner Option, and July 2025 for the Rohe Option. Tarku will also issue 50,000 shares for the Corkran Option. At the end of each Option acquisition, the patented claims will be added to the Property.

Apollo gold project, Quebec
The Company owns 100% of the Apollo gold project located 50 kilometers east from Matagami, Quebec.

Admiral gold project, Quebec
The Company owns 100% of the Admiral gold project located 25 kilometers east from Matagami, Quebec.

Atlas gold project, Quebec
The Company owns 100% of the Atlas gold project located 50 kilometers east from Matagami, Quebec.

The following is a summary of changes to exploration and evaluation assets for the three months ended December 31, 2022 and year ended September 30, 2022:

Projects	**Balance at September 30, 2022**	**Acquisitions and renewals**	**Impairment and disposal**	**Balance at December 31, 2022**
Silver Strike	$ 2,722,857	$ 151,212	$ -	$ 2,874,069
Apollo	176,256	-	-	176,256
Admiral	43,028	-	-	43,028
Atlas	159,885	-	-	159,885
	$ 3,102,027	$ 151,212	$ -	$ 3,253,239

Projects	**Balance at September 30, 2021**	**Acquisitions and renewals**	**Impairment and disposal**	**Balance at September 30, 2022**
Silver Strike	$ 1,367,743	$ 1,355,114	$ -	$ 2,722,857
Apollo	173,562	2,695	-	176,256
Admiral	43,028	-	-	43,028
Atlas	159,885	-	-	159,885
	$ 1,744,219	$ 1,357,809	$ -	$ 3,102,027

(Expressed in Canadian dollars)

4. Exploration and evaluation assets (continued)

The following is a summary of exploration and evaluation expenditures for the three months ended December 31, 2022:

	Apollo	Silver Strike	Total
Data compilation and planning	$ -	$ -	$ -
Drilling and field programs	568,533	-	568,533
Analysis	26,655	-	26,655
Geological consulting	7,923	1,382	9,305
Property costs	-	10,399	10,399
Project management	36,000	-	36,000
Total exploration expenditures	**$ 639,111**	**$ 11,781**	**$ 650,892**

The following is a summary of exploration and evaluation expenditures for the three months ended December 31, 2021:

	Apollo	Atlas	Admiral	Matagami	Silver Strike	Total
Data compilation and planning	$ 1,680	$ 1,680	$ 1,680	$ 1,320	$ 5,100	$11,460
Other	-	-	-	-	568	568
Project management	5,880	5,880	5,880	5,880	5,880	29,400
Total exploration expenditures	**$ 7,560**	**$ 7,560**	**$ 7,560**	**$ 7,200**	**$11,548**	**$41,428**

Exploration input tax credits (“ITC”) are received from the Quebec government for qualifying exploration work. Expenditures incurred to satisfy flow through share issuance does not qualify for the ITC.

5. Convertible debenture

The Company issued a $500,000 convertible debenture in accordance with the Agreement (note 4). The debenture is convertible into common shares at a price of $0.10, is unsecured, bears an annual interest rate of 6% and has a 5-year term.

The convertible debenture has been classified into its separate debenture liability and equity portions in the Company’s consolidated financial statements by the fair value method using an effective interest of 12% when valuing the liability first. This resulted in an initial amount of $362,957 being allocated to the liability portion and $137,043 being allocated to the equity portion. The carrying value of the debenture will be accreted up to its face value over the term to maturity.

(Expressed in Canadian dollars)

5. Convertible debenture (continued)

	December 31, 2022	September 30, 2022
Original face value of convertible debenture	$ 389,502	$ 500,000
Less: Equity portion of convertible debenture	-	(137,043)
Add: interest and accretion	11,542	26,545
	$ 401,044	$ 389,502

6. Share capital

(a) Authorized

Unlimited common shares with no par value

Issued

Issued

(i) On December 3, 2021, the Company closed a private placement for gross proceeds of $750,000. The private placement consisted of 7,500,000 flow-through shares at $0.10 per share. The Company paid $38,500 in cash as a commission and issued 385,000 finders' warrants, exercisable at $0.15 per common share until December 3, 2023. The finders' warrants were valued at $13,934 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.01%, expected life of 2 years, annualized volatility of 133%, and a dividend rate of nil.

(ii) On February 25, 2022, the Company issued 7,000,000 shares in accordance with the Exla agreement (see note 4). The shares were issued at a fair market value of $0.065 for a total value of $455,000.

(iii) On April 13, 2022, the Company closed a non-brokered private placement for gross proceeds of $638,455. The private placement consisted of 6,384,550 units at $0.10 per unit. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $0.15 per common share for a period of twenty-four months. No value was attributed to the warrant component of the units sold. The Company paid $3,000 in cash as a commission.

(iv) On September 9, 2022, the Company closed a non-brokered private placement for gross proceeds of $740,000. The private placement consisted of 7,400,000 flow through shares at $0.10 per share. The Company paid $44,500 in cash as a commission, and issued 434,000 broker warrants, exercisable to purchase one common share at an exercise price of $0.15 until September 9, 2024. The finders' warrants were valued at $8,609 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 3.76%, expected life of 2 years, annualized volatility of 121%, and a dividend rate of nil.

(v) On December 21, 2022, the Company closed a non-brokered private placement for gross proceeds of $550,000. The private placement consisted of 13,750,000 units shares at $0.04 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $0.08 for a period of 36 months.

(Expressed in Canadian dollars)

6. Share capital (continued)

(b) Stock option Plan

The Company has a stock option plan (the "Plan") whereby options to purchase common shares are granted by the board of directors to directors, officers, employees and consultants to the Company. Under the terms of the Plan, the Company has reserved an amount of common shares for options up to 10% of the issued and outstanding number of common shares. Options granted under the Plan are non-transferable; expire no later than the tenth anniversary of the date the option is granted and must comply with the requirements of the regulatory authorities. Options granted under the Plan are subject to vesting terms determined by the board.

A summary of the changes to outstanding and exercisable stock options during the three months ended December 31, 2022 and the year ended September 30, 2022 is presented below.

	December 31, 2022		**September 30, 2022**	
	Options	Weighted Ave Price	Options	Weighted Ave Price
Beginning of year	5,886,922	$ 0.14	4,502,306	$ 0.15
Options granted	500,000	0.10	1,500,000	0.10
Options expired	-	-	(115,384)	(0.10)
Options cancelled	-	-	-	-
End of year	6,386,922	$ 0.14	5,886,922	$ 0.14

On February 18, 2022, the board of directors of the Company approved the grant of 1,500,000 stock options, pursuant to the Plan, to officers and directors. The options are exercisable at $0.10 per share, vest immediately and, if not exercised, expire February 16, 2027, subject to earlier expiration in accordance with the Plan and applicable policies of the TSX Venture Exchange.

The fair value of options issued on February 18, 2022, using the Black-Scholes option pricing model, was $137,798 which was allocated to the share-based compensation expense with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: risk-free interest rate of 1.73%, expected life of 5 years, annualized volatility of 154%, and a dividend rate of nil.

On December 21, 2022, the board of directors of the Company approved the grant of 500,000 stock options, to a consultant of the Company. The options are exercisable at $0.10 per share, vest immediately and, if not exercised, expire December 21, 2027, subject to earlier expiration in accordance with the Plan and applicable policies of the TSX Venture Exchange.

The fair value of options issued on December 21, 2022, using the Black-Scholes option pricing model, was $26,532 which was allocated to the share-based compensation expense with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: risk-free interest rate of 3.07%, expected life of 5 years, annualized volatility of 148%, and a dividend rate of nil.

(Expressed in Canadian dollars)

6. Share capital (continued)

Grant date	Number of options	Expiry date	Exercise price		Exercisable
March 13, 2019	376,922	March 13, 2024	$	0.10	376,922
July 30, 2020	810,000	July 30, 2025	$	0.11	810,000
November 11, 2020	3,200,000	November 11, 2025	$	0.17	3,200,000
February 18, 2022	1,500,000	February 16, 2027	$	0.10	1,500,000
December 21, 2022	500,000	December 21, 2027	$	0.10	500,000
	6,386,922				6,386,922

The Weighted average expiry date is 2.80. The weighted average exercise price is $0.14.

(b) Warrants

During the three months ended December 31, 2022 and the year ended September 30, 2022, the Company had the following warrant activities:

	Number of Warrants	Exercise Price		Weighted Average Exercise Price	
Balance, September 30, 2021	24,360,956			$	0.12
Issued	4,011,275	$	0.15		
Exercised	(10,548,456)	$	0.09		
Balance, September 30, 2022	17,823,775			$	0.15
Issued	13,750,000	$	0.08		
Balance, December 31, 2022	31,573,775			$	0.12

At December 31, 2022, the following table summarizes information about warrants outstanding:

Total issued and outstanding	Warrants Outstanding	Expiry Date	Exercise Price
	13,812,500	May 1, 2024	$0.15
	385,000	Dec 3, 2023	$0.15
	3,192,275	Apr 13, 2024	$0.15
	434,000	Sept 9, 2024	$0.15
	13,750,000	Dec 21, 2025	$0.08
Balance, September 30, 2022	**31,573,775**		**$0.12**

(c) Escrow shares

At December 31, 2022, nil (September 30, 2022 – nil) common shares were held in escrow.

(Expressed in Canadian dollars)

6. Share capital (continued)

(d) Other income on settlement of flow-through premium liability

During the year ended September 30, 2022, the Company closed a flow-through financing and recorded a total premium received on flow-through shares in the amount of $370,000, which was recorded as a liability to be reversed to profit and loss as the eligible expenditures were incurred. As at September 30, 2022, the Company had reduced the liability (based on expenditures incurred) to $303,731 and accordingly, had recorded other income $66,269.

7. Commitments and contingencies

(a) The Company renounced $750,000 of qualifying exploration expenditures to the shareholders effective December 31, 2021. Under the "look back" provision governing flow-through shares, the $750,000 of the amount had to be spent by December 31, 2022.

8. Related party transactions

The Company had the following related party transactions during the three months ended December 31, 2022 and December 31, 2021:

(a) The Chief Executive Officer and director of the Company provided consulting services to the Company. Fees incurred during the period were $42,000 (2021 - $42,000). At December 31, 2022, $177,061 (September 30, 2022 - $96,193) is recorded in trade and other payables.

(b) The Chief Financial Officer and director of the Company provided consulting services to the Company. Fees incurred during the period were $12,000 (2022 - $12,000). At December 31, 2022, $47,480 (September 30, 2022 - $33,880) is recorded in trade and other payables.

Key Management Compensation:

	2022	2021
Consulting fees	$ 18,000	$ 18,000
Exploration expense	36,000	36,000
Share-based compensation to directors and officers	-	-
	$ 54,000	$ 54,000

9. Segmented information

The Company operates in one operating segment, being the exploration of mineral properties. The Company's exploration and evaluation assets by geographic location are as follows:

	December 31, 2022	September 30, 2022
Arizona, U.S.A	$ 2,873,069	$ 2,722,857
Quebec, Canada	379,170	379,170
	$ 3,253,239	$ 3,102,027

(Expressed in Canadian dollars)

10. Capital management

The Company includes cash and cash equivalents and equity, comprising of issued common shares, contributed surplus and deficit, in the definition of capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended December 31, 2022. The Company was not subject to any externally imposed capital requirements.

11. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality financial institutions. The Company does not have financial assets that are invested in asset backed commercial paper.

Liquidity Risk – The Company ensures that there is sufficient capital in order to meet short term business requirements.

Interest rate risk – In respect to the Company's financial assets, the interest rate risk mainly arises from the interest rate impact on our cash and cash equivalents and convertible debentures. For the three months ended December 31, 2022, every 1% fluctuation in interest rates up or down would have had little impact on net loss.

Commodity price risk – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 538,050	$ -	$ -	$ 538,050

11. Financial risk management (continued)

Fair Value - The Company has various financial instruments comprised of cash and cash equivalents, trade and other receivables and trade and other payables.

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

12. Supplemental cash flow information

Non-cash investing and financing activities

During the three months ended December 31, 2021,

- The Company issued broker warrants with a fair value of $13,934.
- The Company issued shares in accordance with the Silver Strike property agreement with a fair value of $36,250.

During the three months ended December 31, 2022,

- Exploration costs remaining in accounts payable of $266,082.