HUNTSMAN EXPLORATION INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED NOVEMBER 30, 2022 AND 2021

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

January 23, 2023

HUNTSMAN EXPLORATION INC.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	November 30, 2022	August 31, 2022
	(unaudited)	
ASSETS		
Current		
Cash	$ 123,107	$ 191,069
Term deposit	18,190	17,976
Amounts receivable	9,642	19,489
Prepaid expenses	3,833	6,349
	154,772	234,883
Exploration and evaluation assets (Notes 6 and 7)	7,063,074	6,953,407
	$ 7,217,846	**$ 7,188,290**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 355,990	$ 258,278
	355,990	258,278
Equity		
Share capital (Note 8)	29,350,978	28,635,978
Shares issuable (Note 6)	-	715,000
Reserves (Note 8)	2,909,991	2,909,991
Deficit	(25,231,231)	(25,103,066)
Accumulated other comprehensive loss	(167,882)	(227,891)
	6,861,856	6,930,012
	$ 7,217,846	**$ 7,188,290**

Going Concern (Note 2)
Commitments (Note 6)

Authorized for issuance on behalf of the Board on January 23, 2023:

"Nathan Tribble" Director

"Jeremy Ross" Director

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

HUNTSMAN EXPLORATION INC.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the Three Months Ended November 30,
(Unaudited – Expressed in Canadian Dollars)

	2022	2021
Expenses		
Consulting fees (Note 7)	$ 38,396	$ 122,000
Foreign exchange gain	-	(803)
General exploration costs (Note 7)	283	17,250
Management fees (Note 7)	31,558	49,579
Office and general	17,549	18,039
Professional fees	14,873	62,843
Rent (Note 7)	19,416	21,916
Shareholder communications and investor relations	2,901	61,918
Transfer agent and filing fees	3,429	3,109
Loss Before Other Item	(128,405)	(355,851)
Other Item		
Interest income	240	391
Net Loss for the Period	(128,165)	(355,460)
Other Comprehensive Income (Loss)		
Item that may be reclassified subsequently to income or loss:		
Exchange difference on translating foreign operations	60,009	(34,218)
Comprehensive Loss for the Period	$ (68,156)	$ (389,678)
Loss per Share – Basic and Diluted	$ (0.00)	$ (0.00)
Weighted Average Number of Common Shares Outstanding	149,961,890	88,583,922

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

HUNTSMAN EXPLORATION INC.
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – Expressed in Canadian Dollars)

	Share Capital						
	Number of Shares	**Share Capital**	**Shares Issuable**	**Reserves**	**Deficit**	**Accumulated Other Comprehensive Income (Loss)**	**Total**
Balance, August 31, 2021	**87,220,075**	**$ 25,159,753**	**$ -**	**$ 2,639,880**	**$ (16,636,302)**	**$ (104,136)**	**$ 11,059,195**
Private placements	31,027,529	2,171,927	-	-	-	-	2,171,927
Share issuance costs	-	(125,702)	-	-	-	-	(125,702)
Net loss for the period	-	-	-	-	(355,460)	-	(355,460)
Exchange difference on translating foreign operations	-	-	-	-	-	(34,218)	(34,218)
Balance, November 30, 2021	**118,247,604**	**27,205,978**	**-**	**2,639,880**	**(16,991,762)**	**(138,354)**	**12,715,742**
Shares issued for exploration and evaluation assets	26,000,000	1,430,000	-	-	-	-	1,430,000
Share-based payments	-	-	-	270,111	-	-	270,111
Shares to be issued for PieCo acquisition (Note 6(d))	-	-	715,000	-	-	-	715,000
Net loss for the period	-	-	-	-	(8,111,304)	-	(8,111,304)
Exchange difference on translating foreign operations	-	-	-	-	-	(89,537)	(89,537)
Balance, August 31, 2022	**144,247,604**	**28,635,978**	**715,000**	**2,909,991**	**(25,103,066)**	**(227,891)**	**6,930,012**
Shares issued for PieCo acquisition (Note 6(d))	13,000,000	715,000	(715,000)	-	-	-	-
Net loss for the period	-	-	-	-	(128,165)	-	(128,165)
Exchange difference on translating foreign operations	-	-	-	-	-	60,009	60,009
Balance, November 30, 2022	**157,247,604**	**$ 29,350,978**	**$ -**	**$ 2,909,991**	**$ (25,231,231)**	**$ (167,882)**	**$ 6,861,856**

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

HUNTSMAN EXPLORATION INC.
Condensed Consolidated Interim Statements of Cash Flows
For the Three Months Ended November 30,
(Unaudited – Expressed in Canadian Dollars)

	2022	2021
Operating Activities		
Net loss for the period	$ (128,165)	$ (355,460)
Item not involving cash		
Foreign exchange gain	(3,010)	-
Changes in non-cash working capital balances		
Amounts receivable	9,847	80,690
Prepaid expenses	2,516	(54,086)
Accounts payable and accrued liabilities	94,225	131,069
Cash Used in Operating Activities	(24,587)	(197,787)
Investing Activity		
Exploration and evaluation asset expenditures, net	(43,244)	(225,572)
Cash Used in Investing Activity	(43,244)	(225,572)
Financing Activities		
Shares issued for cash	-	2,171,927
Share issuance costs	-	(125,702)
Cash Provided by Financing Activities	-	2,046,225
Change in Cash	(67,831)	1,622,866
Effect of Exchange Rates on Cash	(131)	(18,753)
Cash, Beginning of Period	191,069	736,649
Cash, End of Period	$ 123,107	$ 2,340,762

Supplemental Disclosure with Respect to Cash Flows (Note 11)

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

1. NATURE OF OPERATIONS

Huntsman Exploration Inc. (the "Company") is an exploration stage company incorporated pursuant to the British Columbia *Business Corporations Act* on March 31, 2011. The principal business of the Company is the acquisition, exploration and evaluation of mineral properties, as well as exploration of mineral properties once acquired. The Company's shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "HMAN" and on the US OTC Markets under the symbol "BBBMF". The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

2. GOING CONCERN

These condensed consolidated interim 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 liabilities in the normal course of operations.

The Company has incurred a net loss of $128,165 for the three months ended November 30, 2022 and has a working capital deficit of $201,218 and an accumulated deficit of $25,231,231 at November 30, 2022. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

In early March 2020, there was a global outbreak of coronavirus (COVID-19). The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations.

These condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed consolidated interim financial statements.

3. BASIS OF PREPARATION

a) Statement of compliance

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

The condensed consolidated interim financial statements of the Company should be read in conjunction with the Company's 2022 annual consolidated financial statements that have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on January 23, 2023.

(Unaudited – Expressed in Canadian Dollars)

3. BASIS OF PREPARATION (Continued)

b) Measurement basis

These condensed consolidated interim financial statements have been prepared under the historical cost basis, except for certain financial instruments that have been measured at fair value. These condensed consolidated interim financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

c) Basis of presentation

These condensed consolidated interim financial statements include all subsidiaries in the accounts of the Company for the periods presented. Intercompany balances and transactions are eliminated in preparation of the Company's condensed consolidated interim financial statements. These subsidiaries are listed as follows:

Subsidiary	Ownership November 30, 2022	Ownership August 31, 2022	Incorporated	Nature
BlueBird Battery Metals Australia Pty. Ltd.	100%	100%	Australia	Mineral exploration
Huntsman Exploration USA Inc.	100%	100%	USA	Mineral exploration
PieCo Metals Pty. Ltd. ("PieCo")	100%	100%	Australia	Mineral exploration

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 subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

d) Foreign currency translation

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's Australian subsidiaries is the Australian dollar ("AUD") and the functional currency of the Company's USA subsidiary is the US dollar, which have been determined to be the currencies of the primary economic environment in which the subsidiaries operate.

Transactions in currencies other than the functional currency are recorded at the exchange rates prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at the reporting date. Non-monetary items are measured at historical cost in a functional currency and are not retranslated.

4. SIGNIFICANT ACCOUNTING POLICY

Accounting standard issued but not yet effective

IAS 1 Presentation of Financial Statements

IAS 1 has been amended to clarify classification of liabilities as current or non-current. The amendments are effective for years beginning on or after January 1, 2023. The amendment is expected to have no impact on the Company's consolidated financial statements.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income (loss) in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next financial year are discussed below.

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

b) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

5. ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Judgments in applying accounting policies (continued)

c) Business combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

d) Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed consolidated interim financial statements.

e) Share-based payments

The Company's determination that the fair value of exploration and evaluation assets acquired with share-based consideration cannot be estimated reliably.

Areas of estimation uncertainty

The following are key assumptions concerning the future and other sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the condensed consolidated interim financial statements.

a) Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made that management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs that will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at November 30, 2022, the Company has no known rehabilitation requirements, and accordingly, no provision has been made.

5. ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Areas of estimation uncertainty (continued)

b) Fair value of stock options granted

The Company uses the Black-Scholes option pricing model to value the stock options granted during the period. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation assets are summarized as follows:

	Baxter Spring	Flint Property	Canegrass Property	Julimar Property	Total
Acquisition Costs					
Balance, August 31, 2021	**$ 4,202,263**	**$ 2,373,923**	**$ 1,680,082**	**$ -**	**$ 8,256,268**
Acquisition and option payments	318,000	-	-	2,164,106	2,482,106
Claim costs (recovery)	34,922	(1,652)	219,233	43,028	295,531
Sale of exploration and evaluation assets	-	(2,374,750)	-	-	(2,374,750)
Impairment	(4,558,293)	-	-	-	(4,558,293)
Currency translation difference	3,108	2,479	(3,386)	(34,089)	(31,888)
Balance, August 31, 2022	**-**	**-**	**1,895,929**	**2,173,045**	**4,068,974**
Claim costs	-	-	6,113	21,735	27,848
Currency translation difference	-	-	2,753	26,519	29,272
Balance, November 30, 2022	**$ -**	**$ -**	**$ 1,904,795**	**$ 2,221,299**	**$ 4,126,094**
Deferred Exploration Expenditures					
Balance, August 31, 2021	**$ 20,664**	**$ 44,588**	**$ 1,863,809**	**$ -**	**$ 1,929,061**
Drilling	-	-	694,447	-	694,447
Geological	2,854	2,047	357,470	-	362,371
Geophysical	-	-	31,201	-	31,201
Sale of exploration and evaluation assets	-	(46,989)	-	-	(46,989)
Impairment	(23,611)	-	-	-	(23,611)
Currency translation difference	93	354	(62,494)	-	(62,047)
Balance, August 31, 2022	**-**	**-**	**2,884,433**	**-**	**2,884,433**
Drilling	-	-	10,067	-	10,067
Geological	-	-	8,816	-	8,816
Currency translation difference	-	-	33,664	-	33,664
Balance, November 30, 2022	**$ -**	**$ -**	**$ 2,936,980**	**$ -**	**$ 2,936,980**
Total Exploration and Evaluation Assets					
Balance, August 31, 2022	**$ -**	**$ -**	**$ 4,780,362**	**$ 2,173,045**	**$ 6,953,407**
Balance, November 30, 2022	**$ -**	**$ -**	**$ 4,841,775**	**$ 2,221,299**	**$ 7,063,074**

6. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Baxter Spring Property

On August 26, 2020, and as amended September 22, 2021, the Company entered into an option agreement to acquire a 100% interest in the Baxter Spring Property, located in Nevada, from Liberty Gold Corp. ("Liberty") and Liberty's wholly owned subsidiary, Pilot Gold (USA) Inc.

In consideration, the Company must make payments as follows:

- Cash payment of US$250,000 (paid);
- An additional cash payment of US$250,000 (paid) on or before May 31, 2022; and
- Issuance of common shares of the Company equal to 19.5% of the outstanding shares (issued 14,986,890 shares valued at $3,821,657).

The property is subject to a 2% net smelter return royalty ("NSR") and Liberty retains a back-in right to acquire a 35% interest in the property within three years upon payment of the sum of US$1,000,000 to the Company.

The Company recorded impairment charges in the amount of $4,581,904 to fully impair during the year ended August 31, 2022, as substantive expenditure for the exploration and evaluation asset is neither budgeted nor planned. The Company retains ownership of the Baxter Spring Property.

b) Flint Property

On December 3, 2020, the Company entered into an agreement to acquire a 100% interest in certain claims comprising the Flint Property. In consideration, the Company paid US$100,000 in cash and issued 8,450,000 common shares of the Company valued at $2,070,250.

The Company satisfied the terms of the option agreement by staking 174 claims within the area of interest of the agreement at a cost of $127,900. The vendors retain a 2% NSR on the Flint Property, including claims staked by the Company.

On August 8, 2022, the Company sold its 100% interest in the Flint Property in exchange for total consideration of US$130. As a result, the Company recorded a loss of $2,421,574 on the disposal of the Flint Property.

c) Canegrass Property

On March 15, 2018, the Company entered into an option agreement with Trafalgar Resources Pty. Ltd. ("Trafalgar") to acquire a 100% interest in the Canegrass Property, located in the Mount Magnet region of Western Australia.

In consideration, the Company must make payments as follows:

- Cash payment of $25,000 (paid) and issuance of 1,500,000 common shares of the Company (issued and valued at $870,000) upon approval by the TSX-V (approval received on March 21, 2018);
- Issuance of an additional 937,500 common shares of the Company on or before March 21, 2019 (issued and valued at $553,125); and
- Issuance of an additional 937,500 common shares of the Company on or before March 21, 2020 (issued and valued at $131,250).

The Company must also incur exploration expenditures as follows:

- $500,000 on or before March 21, 2019 (incurred);
- An additional $500,000 on or before March 21, 2020 (incurred); and
- An additional $500,000 on or before March 21, 2021 (incurred).

(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

c) Canegrass Property (continued)

A finder's fee of 130,529 common shares (issued and valued at $75,707) was paid in relation to the Canegrass Property. Subject to further TSX-V approval, a discovery bonus of 750,000 common shares of the Company will be issued in the event of discovery of a copper/cobalt equivalent resource of 250,000 ounces or greater on the Canegrass Property. During the year ended August 31, 2021, the Company fulfilled its purchase obligations on the property to earn a 100% interest in the Canegrass Property. The Company also paid a $25,000 letter of intent fee to Trafalgar during the year ended August 31, 2018.

d) Julimar Property

On April 26, 2022, the Company closed its acquisition of all of the issued and outstanding shares of PieCo, a private company with a portfolio of projects within the Julimar province of Western Australia.

The Company incurred a non-refundable option fee of AUD$30,000 to the vendors for the option (included in exploration and evaluation assets). Total consideration includes 39,000,000 common shares to be issued to the shareholders of PieCo as follows:

- 13,000,000 common shares on closing of the acquisition (issued and valued at $715,000);
- 13,000,000 common shares within six months of closing of the acquisition (issued and valued at $715,000); and
- 13,000,000 common shares within one year of closing of the acquisition (issued and valued at $715,000).

The agreement provides that the second or third share issuances will be deferred in the event that the issuance would result in any of PieCo's shareholders becoming insiders pursuant to Canadian securities laws to such later time or times that the issuance will not result in the creation of an insider.

The vendors retain a 1.5% NSR on the projects held by PieCo.

The acquisition of PieCo has been accounted for as an acquisition of assets and liabilities, as PieCo does not meet the definition of a business under IFRS 3 *Business Combinations*. The acquisition of the net assets of PieCo was recorded at the fair value of the consideration transferred of $2,145,000 and the value of the option fee of AUD$30,000 of which $2,144,911 was allocated to the mineral property as detailed above. The net assets acquired consisted substantially of exploration and evaluation assets.

7. RELATED PARTY BALANCES AND TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the condensed consolidated interim statements of loss and comprehensive loss for the three months ended November 30, 2022 and 2021:

	November 30, 2022	November 30, 2021
Consulting fees	$ -	$ 8,299
General exploration	-	9,000
Management fees	31,558	49,579
Total	$ 31,558	$ 66,878

7. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

Key management includes directors and officers of the Company, including the Chief Executive Officer, President and Chief Financial Officer.

During the three months ended November 30, 2022, the Company also paid or accrued:

- $15,000 (2021 - $15,000) in rent to a company with a common officer; and
- $283 (2021 - $nil) in exploration and evaluation asset expenditures to a private company for a director's services.

As at November 30, 2022, included in accounts payable and accrued liabilities is $111,743 (August 31, 2022 - $78,338) due to companies controlled by directors for outstanding consulting fees. The amounts are unsecured, non-interest-bearing and due on demand.

8. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding

During the three months ended November 30, 2022

- On October 21, 2022, the Company issued 13,000,000 common shares measured at $715,000 for the acquisition of PieCo and the Julimar Property (Note 6(d)).

During the year ended August 31, 2022

- On November 26, 2021, the Company completed a placement for gross proceeds of $2,171,927. The Company issued 31,027,529 common shares of the Company at a price of $0.07 per share. The Company paid finder's fees of $114,092 and other share issuance costs of $11,609.

- On April 27, 2022, the Company issued 13,000,000 common shares measured at $715,000 for the acquisition of PieCo and the Julimar Property (Note 6(d)).

- On May 25, 2022, the Company issued 13,000,000 common shares measured at $715,000 for the acquisition of PieCo and the Julimar Property (Note 6(d)).

(Unaudited – Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

c) Warrants

Warrant transactions and the number of warrants outstanding for the three months ended November 30, 2022 and year ended August 31, 2022 are summarized as follows:

	November 30, 2022		**August 31, 2022**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	31,178,450	$ 0.35	31,468,858	$ 0.35
Expired	-	-	(290,408)	$ 0.14
Outstanding, end of period	31,178,450	$ 0.35	31,178,450	$ 0.35

The following warrants were outstanding and exercisable at November 30, 2022:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants
October 19, 2023	0.88	$ 0.35	29,278,450
November 27, 2023	0.99	$ 0.35	1,900,000
	0.89		31,178,450

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its finders' warrants granted. During the three months ended November 30, 2022 and year ended August 31, 2022, the Company did not grant any finders' warrants.

d) Stock options

The Company adopted a stock option plan (the "Plan") to grant incentive stock options to directors, officers, employees and consultants. Under the Plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the Plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period.

During the three months ended November 30, 2022, the Company did not recognize any share-based compensation expense (year ended August 31, 2022 - $270,111), as no options were granted during the period (year ended August 31, 2022 - 6,800,000).

(Unaudited – Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

d) Stock options (continued)

The following is a summary of option transactions under the Company's Plan for the three months ended November 30, 2022 and year ended August 31, 2022:

	November 30, 2022		August 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	10,299,000	$ 0.13	6,004,000	$ 0.28
Expired	(300,000)	$ 0.28	(2,505,000)	$ 0.33
Granted	-	-	6,800,000	$ 0.07
Outstanding, end of period	9,999,000	$ 0.12	10,299,000	$ 0.13

The following options were outstanding and exercisable at November 30, 2022:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
March 25, 2023	0.32	$ 0.20	674,000	674,000
January 8, 2024	1.11	$ 0.25	2,250,000	2,250,000
February 26, 2024	1.24	$ 0.25	275,000	275,000
December 3, 2024	2.01	$ 0.07	6,800,000	6,800,000
	1.67		9,999,000	9,999,000

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. The fair value of each stock option grant was calculated using the following weighted average assumptions:

	November 30, 2022	August 31, 2022
Expected life (years)	N/A	3.00
Risk-free interest rate	N/A	1.09%
Expected annualized volatility	N/A	115%
Dividend yield	N/A	N/A
Stock price at grant date	N/A	$ 0.06
Exercise price	N/A	$ 0.07
Weighted average grant date fair value	N/A	$ 0.04

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

(Unaudited – Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, term deposit and accounts payable. Cash and term deposit are classified as fair value through profit or loss. Accounts payable is classified as measured at amortized cost. The carrying values of these instruments approximate their fair values due to the relatively short periods to maturity.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

November 30, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 123,107	$ -	$ -	$ 123,107
Term deposit	$ 18,190	$ -	$ -	$ 18,190

August 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 191,069	$ -	$ -	$ 191,069
Term deposit	$ 17,976	$ -	$ -	$ 17,976

Financial risk management objectives and policies

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The financial instrument that potentially subjects the Company to concentrations of credit risk consists principally of cash. To minimize the credit risk on cash, the Company places the instrument with a major Canadian financial institution. The maximum amount of credit risk is equal to the carrying value of cash.

b) Liquidity risk

The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at November 30, 2022, the Company had contractual obligations consisting of accounts payable and accrued liabilities of $355,990, due within the next 12 months. All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

(Unaudited – Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS (Continued)

c) Market risk (continued)

i) *Currency risk* – Currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada, the USA and Australia, and incurs operating and exploration expenditures in all currencies. The fluctuation of the Canadian dollar in relation to the Australian dollar will have an impact upon the results of the Company. A fluctuation in the exchange rate between the Canadian and Australian dollars of 10% would result in a change to the Company's cash of $12,700 and accounts payable and accrued liabilities of $6,100. The fluctuation of the Canadian dollar in relation to the US dollar would not have any significant impact upon the results of the Company. The Company does not use any techniques to mitigate currency risk.

ii) *Interest rate risk* – The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant, as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company has no interest-bearing financial liabilities.

iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company does not have significant exposure to this risk.

10. MANAGEMENT OF CAPITAL

The Company considers its capital to be comprised of equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the three months ended November 30, 2022. The Company is not subject to externally imposed capital requirements.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	November 30, 2022	November 30, 2021
Non-cash Transactions and Supplemental Disclosures		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

12. SEGMENTED INFORMATION

Geographical information related to the Company's non-current assets is as follows:

	November 30, 2022	August 31, 2022
Exploration and evaluation assets – Australia	$ 7,063,074	$ 6,953,407