# PROSPER GOLD CORP.

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE SIX MONTHS ENDED APRIL 30, 2023

## (EXPRESSED IN CANADIAN DOLLARS)

## (UNAUDITED)

## NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) continuous disclosure requirement, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim consolidated financial statements 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 Interim Consolidated Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

## PROSPER GOLD CORP.

**Consolidated Statements of Financial Position**
**(Expressed in Canadian Dollars)**

| | Note | | As at April 30, 2023 (Unaudited) | | As at October 31, 2022 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 11 | **$** | **603,218** | $ | 224,796 |
| Amounts receivable | | | **77,493** | | 20,053 |
| Marketable securities | 7 | | **97,795** | | 265,945 |
| Prepaid expenses and deposit | 11 | | **103,425** | | 111,573 |
| | | | **881,931** | | 622,367 |
| **Non-current assets** | | | | | |
| Reclamation deposits | 4 | | **-** | | 219,000 |
| Right-of-use asset | 5,15 | | **49,210** | | 98,419 |
| Equipment and leasehold improvements | 6 | | **270,966** | | 308,125 |
| Mineral properties | 7 | | **1,177,367** | | 869,522 |
| | | | **1,497,543** | | 1,495,066 |
| | | **$** | **2,379,474** | $ | 2,117,433 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Accounts payable and accrued liabilities | 12 | **$** | **206,655** | $ | 155,041 |
| Current portion of lease liability | 5 | | **50,118** | | 100,510 |
| Loan payable | 8 | | **40,000** | | - |
| | | | **296,773** | | 255,551 |
| **Non-current liabilities** | | | | | |
| Loan payable | 8 | | **-** | | 37,853 |
| Deferred gain on loan payable | 8 | | **-** | | 2,147 |
| | | | **-** | | 40,000 |
| | | | **296,773** | | 295,551 |
| **SHAREHOLDERS' EQUITY** | | | | | |
| Share capital | 9 | | **26,562,332** | | 24,823,563 |
| Reserves | 10 | | **6,757,977** | | 6,321,700 |
| Deficit | | | **(31,237,608)** | | (29,323,381) |
| | | | **2,082,701** | | 1,821,882 |
| | | **$** | **2,379,474** | $ | 2,117,433 |

These financial statements were approved by the Board of Directors and authorized for issue on June 29, 2023.
They are signed on behalf of the Board of Directors by:

*/s/ "Peter Bernier"*
Peter Bernier
Director

*/s/ "Jason Hynes"*
Jason Hynes
Director

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

## PROSPER GOLD CORP.

**Consolidated Statements of Comprehensive Loss**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | Note | Three months ended | | Six months ended | |
|---|---|---|---|---|---|
| | | **April 30, 2023** | **April 30, 2022** | **April 30, 2023** | April 30, 2022 |
| **Expenses** | | | | | |
| Exploration expenditures | 6,7,12 | **$405,965** | $1,144,025 | **$917,481** | $ 2,322,839 |
| General and administrative | 5,6 | **98,578** | 90,268 | **183,839** | 206,269 |
| Management salaries and fees | 12 | **113,976** | 104,390 | **242,099** | 229,275 |
| Professional fees | | **7,391** | 22,500 | **18,637** | 47,851 |
| Share-based payments | 10(b)(c),12 | **170,344** | 580,132 | **377,407** | 1,214,853 |
| Transfer agent, listing and filing fees | | **13,530** | 14,050 | **23,999** | 31,090 |
| | | **809,784** | 1,955,365 | **1,763,462** | 4,052,177 |
| **Other (income) and expense** | | | | | |
| Interest income | | **(8,994)** | (116) | **(17,385)** | (1,511) |
| Gain on sale of mineral properties | 7(a) | **-** | - | **-** | (205,200) |
| Unrealized loss on marketable securities | 7(a)(b) | **107,716** | 46,011 | **168,150** | 82,911 |
| | | **98,722** | 45,895 | **150,765** | (123,800) |
| **Net loss and comprehensive loss for period** | | **$ 908,506** | $2,001,260 | **$ 1,914,227** | $ 3,928,377 |
| **Loss per share** | | | | | |
| Basic and diluted | | **$ 0.03** | $ 0.08 | **$ 0.06** | $ 0.17 |
| Weighted average number of common shares outstanding | | **32,211,476** | 23,942,543 | **31,704,210** | 23,563,326 |

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

## PROSPER GOLD CORP.

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

**For the six months ended April 30, 2022**

| | Number of Shares | Share Capital | Reserves: Security Based Compensation | Reserves: Other | Reserves: Total | Deficit | Total |
|---|---|---|---|---|---|---|---|
| Balance at October 31, 2021 | 23,196,476 | $24,471,832 | $3,710,334 | $ 795,053 | $4,505,387 | $(23,799,553) | $ 5,177,666 |
| Shares issued for property (notes 7(a), 9(c)) | 800,000 | 352,000 | - | - | - | - | 352,000 |
| Share issue costs (note 9(c)) | - | (269) | - | - | - | - | (269) |
| Share-based payments (notes 10(b), 10(c)) | - | - | 1,214,853 | - | 1,214,853 | - | 1,214,853 |
| Net loss for the period | - | - | - | - | - | (3,928,377) | (3,928,377) |
| Balance at April 30, 2022 | 23,996,476 | $24,823,563 | $4,925,187 | $ 795,053 | $5,720,240 | $(27,727,930) | $ 2,815,873 |

**For the six months ended April 30, 2023**

| | Number of Shares | Share Capital | Reserves: Security Based Compensation | Reserves: Other | Reserves: Total | Deficit | Total |
|---|---|---|---|---|---|---|---|
| Balance at October 31, 2022 | 23,996,476 | $24,823,563 | $5,526,647 | $ 795,053 | $6,321,700 | $(29,323,381) | $ 1,821,882 |
| Private placement - units | 3,455,000 | 691,000 | - | - | - | - | 691,000 |
| Private placement – flow-through units | 4,000,000 | 1,000,000 | - | - | - | - | 1,000,000 |
| Shares issued for property (notes 7(a), 9(c)) | 760,000 | 215,200 | - | - | - | - | 215,200 |
| Share issue costs (notes 9(b), 9(c)) | - | (167,431) | - | 58,870 | 58,870 | - | (108,561) |
| Share-based payments (notes 10(b), 10(c)) | - | - | 377,407 | - | 377,407 | - | 377,407 |
| Net loss for the period | - | - | - | - | - | (1,914,227) | (1,914,227) |
| **Balance at April 30, 2023** | **32,211,476** | **$26,562,332** | **$5,904,054** | **$ 853,923** | **$6,757,977** | **$(31,237,608)** | **$ 2,082,701** |

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

# PROSPER GOLD CORP.

**Consolidated Statements of Cash Flows**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | Six months ended | |
|---|---|---|
| | **April 30, 2023** | April 30, 2022 |
| **Cash provided by (used in):** | | |
| **Operating activities** | | |
| Net loss | **$ (1,914,227)** | $ (3,928,377) |
| Adjustments for: | | |
| Amortization of equipment and leasehold improvements | **38,288** | 40,897 |
| Amortization of right-of-use asset | **49,209** | - |
| Gain on sale of mineral properties | **-** | (205,200) |
| Unrealized loss on marketable securities | **168,150** | 82,911 |
| Interest on lease liability | **2,127** | - |
| Share-based payments | **377,407** | 1,214,853 |
| Net change in non-cash working capital | | |
| Amounts receivable | **(57,440)** | 324,499 |
| Prepaid expenses and deposit | **8,148** | (73,359) |
| Accounts payable and accrued liabilities | **47,432** | (589,927) |
| | **(1,280,906)** | (3,133,703) |
| **Investing activities** | | |
| Proceeds on redemption of reclamation bonds | **219,000** | - |
| Purchase of equipment and leasehold improvements | **(1,129)** | (4,275) |
| Acquisition of mineral properties | **(88,463)** | (37,510) |
| | **129,408** | (41,785) |
| **Financing activities** | | |
| Lease liability payments | **(52,519)** | - |
| Proceeds from private placement | **1,691,000** | - |
| Share issue costs | **(108,561)** | (269) |
| | **1,529,920** | (269) |
| **Increase (decrease) in cash and cash equivalents** | **378,422** | (3,175,757) |
| Cash and cash equivalents, beginning of period | **224,796** | 3,636,299 |
| **Cash and cash equivalents, end of period** | **$ 603,218** | $ 460,542 |

| | | |
|---|---|---|
| **Non-cash activities** | | |
| Shares issued for property | **$ 215,200** | $ 352,000 |
| Fair value of broker warrants for private placement | **$ 58,870** | $ - |
| Fair value of marketable securities received from sale of mineral property interests | **$ -** | $ 205,200 |
| Mineral properties in accounts payable and accrued liabilities | **$ 4,182** | $ - |
| **Cash and cash equivalents consist of:** | | |
| Cash | **$ 384,218** | $ 460,542 |
| Term deposits | **$ 219,000** | $ - |

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

## 1. Nature of operations and going concern

Prosper Gold Corp. ("Prosper" or the "Company") was incorporated under the *Business Corporations Act* (Ontario) on October 11, 2007, continued into British Columbia under the *Business Corporations Act* (British Columbia) and changed its name from Lander Energy Corporation on April 26, 2012. The registered office of the Company is located at Suite 330 – 890 West Pender Street, Vancouver, British Columbia, V6C 1J9. Effective September 3, 2013, the Company's common shares were listed on the TSX Venture Exchange (the "Exchange"), trading under the symbol "PGX". Effective March 18, 2021, the Company has qualified to trade on the OTCQX Best Market in the United States under the symbol "PGXFF". During the current quarter, the Company moved it's US listing on the QTCQX to the QTCCB.

On April 6, 2023, the Company incorporated Prosper Gold USA LLC, a wholly-owned subsidiary to enter into a definitive option agreement for a property located in Mohave County, Arizona in the United States.

The principal business activity of the Company is the acquisition, exploration and development of mineral properties. These financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operation in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. The Company has not yet generated any revenues, has incurred losses of $1,914,227 (6 months ended April 30, 2022 - $3,928,377) for the 6 months period ended April 30, 2023, negative cash flows from operations since inception and has a deficit of $31,237,608 as at April 30, 2023 (October 31, 2022 - $29,323,381). At April 30, 2023, the Company had cash and cash equivalents of $603,218 (October 31,2022 – cash of $244,796) and working capital of $585,158 (October 31, 2022 - $366,816). The ability of the Company to continue as a going concern over a longer term is dependent on the Company's ability to complete financing to meet administrative overhead and to complete the exploration and development of its mineral property interest, attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interest. However, there is no guarantee that the Company will establish economically recoverable reserves, profitable operations or positive cash flows from operations. The Company will continue to raise funding through equity financing to continue operations and has been successful to date, but there can be no assurance that adequate financing will be available in the future, or available on terms acceptable to the Company and, therefore, a material uncertainty exists that may cast significant doubt over the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## 2. Basis of preparation

### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, these condensed interim consolidated financial statements do not include all information and disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2022, which have been prepared in accordance with IFRS.

### (b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its integrated wholly-owned subsidiary Prosper Gold USA LLC. All material intercompany balances have been eliminated in these consolidated financial statements. Subsidiary is an entity over which the Company has control. Control is based on whether an investor has power over the investee, exposure of rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns.

## 2. Basis of preparation (continued)

### (c) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are recorded at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The Company's interim results are not necessarily indicative of its results for the full year.

### (d) Presentation and functional currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

### (e) Critical accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures. Actual results could differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The critical judgment and assumptions applied in the preparation of these condensed interim consolidated financial statements and other major sources of measurement uncertainty are discussed in the Company's audited financial statements for the year ended October 31, 2022.

## 3. Significant accounting policies

The significant accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and discussed in the Company's audited financial statements for the year ended October 31, 2022.

## 4. Reclamation deposits

The Company was required to post two security deposits of $190,000 and $29,000 totaling $219,000 in favor of the BC Ministry of Energy, Mines and Low Carbon Innovation for the continuation of surface work at the Star Property.

During December 2022, the Ministry of Energy, Mines and Low Carbon Innovation returned the two Letters of Credits of $190,000 and $29,000 and released the Company of any further obligations for the Star Property in British Columbia.

## 5. Right-of-use asset

| **Right-of-use asset** | | |
|---|---|---|
| Value of right-of-use asset as at May 1, 2022 | $ | 147,628 |
| Amortization | | (49,209) |
| Value of right-of-use asset as at October 31, 2022 | | **98,419** |
| Amortization | | **(49,209)** |
| Value of right-of-use asset as at April 30, 2023 | **$** | **49,210** |

**(Expressed in Canadian Dollars)**

## 5. Right-of-use asset

| | | |
|---|---|---|
| Lease liability recognized as of May 1, 2022 | $ | 147,628 |
| Lease payments | | (50,708) |
| Lease interest | | 3,590 |
| Lease liability recognized as of October 31, 2022 | | **100,510** |
| Lese payments | | **(52,519)** |
| Lease Interest | | **2,127** |
| **Lease liability as recognized as of April 30, 2023** | **$** | **50,118** |

## 6. Equipment and leasehold improvements

| | Computer Equipment | Office Furniture | Field Equipment | Leasehold Improvements | Vehicles | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| As at October 31, 2021 | $ 29,671 | $ 2,236 | $ 333,890 | $ - | $ 88,721 | $ 454,518 |
| Additions | 2,813 | - | 21,461 | 12,970 | - | 37,244 |
| As at October 31, 2022 | 32,484 | 2,236 | 355,351 | 12,970 | 88,721 | 491,762 |
| Additions | - | - | 1,129 | - | - | 1,129 |
| **As at April 30, 2023** | **$ 32,484** | **$ 2,236** | **$ 356,480** | **$ 12,970** | **$ 88,721** | **$ 492,891** |
| **Accumulated Amortization** | | | | | | |
| As at October 31, 2021 | $ 19,958 | $ 1,708 | $ 51,476 | $ - | $ 23,000 | $ 96,142 |
| Amortization | 6,115 | 105 | 58,629 | 2,929 | 19,717 | 87,495 |
| As at October 31, 2022 | 26,073 | 1,813 | 110,105 | 2,929 | 42,717 | 183,637 |
| Amortization | 1,763 | 42 | 24,562 | 5,020 | 6,901 | 38,288 |
| **As at April 30, 2023** | **$ 27,836** | **$ 1,855** | **$ 134,667** | **$ 7,949** | **$ 49,618** | **$ 221,925** |
| **Carrying value** | | | | | | |
| As at October 31, 2022 | $ 6,411 | $ 423 | $ 245,246 | $ 10,041 | $ 46,004 | $ 308,125 |
| **As at April 30, 2023** | **$ 4,648** | **$ 381** | **$ 221,813** | **$ 5,021** | **$ 39,103** | **$ 270,966** |

## 7. Mineral properties

The Company capitalizes costs of mineral property option payments for cash and share issuances and the related transaction costs for the Ontario Projects in Ontario, the Star Property in British Columbia and the Mohave Project in Arizona, United States.

| | Ontario Projects | | | | |
|---|---|---|---|---|---|
| **Costs** | **Matachewan** | **Golden Sidewalk** | **Star** | **Mohave Gold Project** | **Total** |
| Balance, October 31, 2021 | $ 8,153 | $ 466,398 | $ 446,715 | $ - | $ 921,266 |
| Share issuances | - | 352,000 | - | - | 352,000 |
| Additions | - | 42,971 | - | - | 42,971 |
| Option payments received | - | - | (446,715) | - | (446,715) |
| **Balance, October 31, 2022** | **8,153** | **861,369** | **-** | **-** | **869,522** |
| **Share issuance** | **-** | **215,200** | **-** | **-** | **215,200** |
| **Additions** | **-** | **14,638** | **-** | **78,007** | **92,645** |
| **Balance, April 30, 2023** | **$ 8,153** | **$ 1,091,207** | **$ -** | **$ 78,007** | **$ 1,177,367** |

## 7. Mineral properties (continued)

### (a) Ontario Projects, Ontario, Canada

**Matachewan Land Package**
On March 21, 2019, the Company entered into a purchase agreement and acquired a 100% interest in 64 mineral claims and 6 mining patents. During the 2020 fiscal year, transaction costs for legal fees of $2,140 were paid for legal fees to transfer the titles of the claims to the Company.

During the year ended October 31, 2021, the Company sold 37 mineral claims to LaSalle Exploration Corp. ("LaSalle") for cash proceeds of $10,000 and 100,000 common shares of LaSalle with a fair market value of $19,000 on the completion date. The Company incurred legal fees of $3,268 for the transaction. As at April 30, 2023, the 100,000 LaSalle shares were adjusted to the market value of $4,170 (October 31, 2022 - $3,445) and an unrealized gain for the six months ended April 30, 2023 of $725 (six months ended April 30, 2022 – unrealized loss of $6,111) has been recorded in the statement of comprehensive loss.

**Wydee Claims**
During the 2022 fiscal year, the Company sold 43 claims for the Wydee Property to the Canadian Nickel Company Inc. ("CNC") that was previously written off during the 2020 fiscal year. The Company received 60,000 shares of CNC at a market value of $3.42 per share for a value of $205,200. The proceeds have been recorded as a gain in the statement of comprehensive loss. During the year ended October 31, 2022, the 60,000 CNC shares were sold for $98,838. The sale resulted in a realized loss $106,362 which has been recorded in the statement of comprehensive loss for the year ended October 31, 2022.

**Golden Sidewalk Project**

<u>Sabina Agreement</u>
On August 9, 2020 ("Sabina Effective Date"), the Company entered into an option agreement with Sabina Gold & Silver Corp. ("Sabina") to acquire a 100% interest in the Golden Sidewalk Properties, subject to the permitted encumbrances, underlying royalties, the Golden Sidewalk Royalties and any additional property royalty in accordance with the following:

a) In order to acquire a 70% interest ("Sabina First Option"), the Company shall pay $40,000 cash, issue 900,000 common shares and incur $1,400,000 as follows:
   a. Within five business days of receipt of TSXV approval, pay $20,000 cash (paid) and issue 50,000 common shares (issued September 8, 2020);
   b. On or before six months of the Sabina Effective Date, issue 50,000 common share (issued January 25, 2021) and incur expenditures of $150,000 (incurred);
   c. On or before 18 months of the Sabina Effective Date, issue 250,000 common shares (issued February 7, 2022), pay $10,000 in cash (paid) and incur $500,000 in expenditures (incurred); and
   d. On or before 30 months of the Sabina Effective Date, issue 550,000 common shares (issued February 7, 2022), pay $10,000 in cash (paid) and incur $750,000 in expenditures (incurred).

b) Upon the exercise of the Sabina First Option, the Company can elect to pursue the second option to acquire the remaining 30% interest on or before 48 months of the Sabina Effective Date, by issuing an additional 600,000 common shares (issued on November 18, 2022), pay an additional $10,000 in cash (paid on November 18, 2022), incur an additional $1,200,000 of expenditures (incurred) and enter into agreement to fully assume and novate to the Company the permitted encumbrances and all royalties that Sabina is subject to for the property. Legal and filing fees of $4,438 were incurred for the November 18, 2022 transaction.

Per the agreement, in the event that the Company does not incur the required expenditures in each period, the Company may pay Sabina in cash any shortfall by the end of each period.

## 7. Mineral properties (continued)

### (a) Ontario Projects, Ontario, Canada (continued)

**Golden Sidewalk Project (continued)**

Upon the exercise of the first option by the Company, Sabina and the Company will enter in a royalty agreement ("Golden Sidewalk Royalty") whereby Sabina will retain and the Company will pay to Sabina 2.0% NSR on the proceeds from the production or sale of products produced or derived from the Golden Sidewalk property. The Company can elect to purchase 1.0% of the NSR by payment of $1,000,000.

Smith Agreement
On August 25, 2020, the Company entered into an agreement with Greg Smith to acquire a 100% interest in certain mineral claims for $25,000 cash (paid).

The acquisition for these claims is subject to a 1% NSR. The Company can elect to purchase 0.5% of the NSR by payment of $500,000.

Bounty Agreement
On August 31, 2020, the Company entered into an agreement with Bounty Gold Corp. ("Bounty") to acquire a 100% interest in certain mineral claims free of any encumbrances by:

i. Within 5 days of Exchange approval, payment of $60,000 in cash (paid); and
ii. Issuance of 125,000 common shares of the Company (issued October 14, 2020).

The purchase is subject to a 2% NSR with an option to purchase 1% of the NSR by the Company with a payment of $1,000,000.

Claims Purchase
During the year ended October 31, 2021, the Company acquired additional claims for the Golden Sidewalk Project for $13,200.

Land Purchase
During the year ended October 31, 2021, the Company purchased a parcel of land at Ear Falls, Ontario for $113,000 and paid $4,218 for transaction costs.

On November 28, 2022, the Company entered into a agreement to purchase 100% of the rights, title and interest in a 2% net smelter return royalty on the Skinner Gold Property located in Ontario. In consideration of the purchase, the Company will issue 160,000 common shares. Filing fees of $200 were incurred for the transaction.

During the year ended October 31, 2022, the Company received $200,000 from the Ministry of Northern Development, Mines, Natural Resources and Forestry under an Ontario Transfer Payment Agreement. Under this agreement, the Company will receive up to $200,000 to conduct exploration work and activities on the Golden Sidewalk Project. This is recorded as a reduction of exploration expenditures in the statements of comprehensive loss.

### (b) Star Property, British Columbia, Canada

Pursuant to an option agreement dated July 15, 2013 between the Company and Firesteel Resources Inc. ("Firesteel") (name changed to Otso Gold Corp.) (the "Option Agreement"), the Company has the exclusive option to earn up to an 80% interest in 19 mining claims on the Star property (formerly the Sheslay property), a copper-gold discovery located northwest of Telegraph Creek, British Columbia, in the Stikine Arch area of northwestern British Columbia, in exchange for cash payments, the issuance of common shares and exploration expenditures over four years as follows:

Pursuant to the option agreement (the "First Option"), the Company has earned a 51% interest in the Star property by:

## 7. Mineral properties (continued)

### (b) Star Property, British Columbia, Canada (continued)

- Making cash payments to Firesteel totaling $300,000 over 18 months (paid);
- Issuing a total of 30,000 Prosper common shares to Firesteel (issued); and
- Incurring exploration expenditures totaling $1,000,000 over 18 months (incurred).

The Company has an additional option (the “Second Option”) to earn an additional 19% interest, thereby increasing its total interest in the Property to 70%, which may be exercised by:

- Making cash payments to Firesteel totaling $200,000 over 36 months (due August 30, 2016) (unpaid);
- Issuing a total of 20,000 Prosper common shares to Firesteel over a period of 36 months (due August 30, 2016) (unissued); and
- Incurring exploration expenditures totaling $2,000,000 over 36 months (incurred).

The Company has an additional option (the “Third Option”) to earn an additional 10% interest, thereby increasing its total interest in the Property to 80%, which may be exercised by:

- Making cash payments to Firesteel totaling $500,000 over 48 months (unpaid);
- Issuing a total of 50,000 Prosper common shares to Firesteel over a period of 48 months (unissued); and
- Incurring exploration expenditures totaling $2,000,000 over 48 months (incurred).

Rather than making the Second Option payment and issuance of common shares due August 30, 2016 and the Third Option payment and issuance of common shares due August 30, 2017, the Company and Firesteel entered into a joint venture agreement on August 30, 2016. The Company holds 51% ownership of the Star property. The joint venture agreement specifies that the Company and Firesteel will contribute funds to continue explorations on the Star property pro-rata, based on their percentage of ownership; 51% to be contributed by Prosper and 49% to be contributed by Firesteel.

The underlying royalty holders are entitled to a 2% NSR on the property. The Company has the option to purchase the 2% royalty entitlement for $2,000,000.

During the year ended October 31, 2022, the Company entered into a definitive option agreement with CAVU Mining Corp. (“CAVU”) to grant CAVU the exclusive right and option to acquire 51% interest in the Star Project located in the province of British Columbia. Under the terms of the Option Agreement, CAVU may exercise the option by issuing 1,250,000 common shares on or before May 23, 2022 (received) and making aggregate cash payments of $1,155,000 with the first payment of $100,000 due on May 23, 2022 (received), $285,000 due by July 1, 2022 (received), $385,000 due by May 23, 2023 (received on May 11, 2023) and $385,000 due by May 23, 2024. Legal fees of $12,898 were incurred relating to this transaction.

The 1,250,000 CAVU common shares had an initial fair value of $450,000. A gain on sale of mineral properties of $375,387 was recorded in the statements of comprehensive loss for the year ended October 31, 2022.

At April 30, 2023, these common shares were adjusted to the market value of $93,625 (October 31, 2022 - $262,500) and an unrealized loss of $168,875 (April 30, 2022 - $Nil) has been included in the statement of comprehensive loss.

During the 6 months ended April 30, 2023, CAVU was acquired by Alpha Copper Corp. (“ALCU”). As CAVU shareholders received 0.7 of ALCU a common share for each CAVU share previously held, the Company received 875,000 ALCU common shares in exchange for 1,250,000 CAVU shares previously held.

**(Expressed in Canadian Dollars)**

## 7. Mineral properties (continued)

### (c) Mohave Gold Project, Nevada, United States

On April 21, 2023, the Company entered into an option agreement to acquire 100% interest, including all beneficial right, title and interest into the Mohave Gold Project by making the following cash payments and expenditures:

| | Cash Payments (US$) | Expenditures (US$) |
|---|---|---|
| Within 10 days of the execution of the agreement (paid) | $ 50,000 | $ - |
| On the earlier of a) the Bureau Land Management casefile AZA037992 being in the name of the Company or b) June 30, 2023 (paid June 28, 2023) | 100,000 | - |
| On or before 12 months after the effective date of the agreement | 150,000 | 250,000 |
| On or before 24 months after the effective date of the agreement | 150,000 | 250,000 |
| On or before 36 months after the effective date of the agreement | 150,000 | 400,000 |
| On or before 48 months after the effective date of the agreement | 1,100,000 | 400,000 |
| On or before 60 months after the effective date of the agreement | 1,650,000 | 400,000 |
| Total | $ 3,350,000 | $ 1,700,000 |

Upon the payment of US$1,650,000 on or before 60 months after the effective date and the vesting in title to the claims and delivery of quitclaims and any necessary transfers, the Company will grant 1.5% of NSR to the optionors.

During the quarter, the Company paid $67,625 (US$50,000) for the first option payment required. Legal fees of $10,382 were also paid to complete the transaction.

### (d) Exploration and evaluation expenditures

During the three months and six months periods ended April 30, 2023 and 2022, the Company's exploration expenditures (recovery) consisted of the following:

Three months ended April 30, 2023 and 2022

| | Ontario | | Star | | Mohave | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **April 30, 2023** | April 30, 2022 | **April 30, 2023** | April 30, 2022 | **April 30, 2023** | April 30, 2022 | **April 30, 2023** | April 30, 2022 |
| Assay and analysis | **$ 464** | $ 152,487 | **$ -** | $ - | **$ -** | $ - | **$ 464** | $ 152,487 |
| Camp accommodation | **-** | 24,225 | **-** | - | **-** | - | **-** | 24,225 |
| Drilling | **-** | 704,457 | **-** | - | **-** | - | **-** | 704,457 |
| Equipment rental | **-** | 9,000 | **-** | - | **-** | - | **-** | 9,000 |
| Field costs | **68,802** | 75,942 | **-** | 800 | **41** | - | **68,843** | 76,742 |
| Geological (note 12(a)) | **191,500** | 75,200 | **-** | - | **-** | - | **191,500** | 75,200 |
| Property rentals and utilities | **33,117** | 47,213 | **-** | - | **-** | - | **33,117** | 47,213 |
| Salaries (note 12(a)) | **74,286** | 169,624 | **-** | - | **-** | - | **74,286** | 169,624 |
| Transportation and freight | **12,630** | 7,894 | **-** | - | **101** | - | **12,731** | 7,894 |
| Travel and accommodations | **22,048** | 17,183 | **-** | - | **2,976** | - | **25,024** | 17,183 |
| Grant received | **-** | (140,000) | **-** | - | **-** | - | **-** | (140,000) |
| Total | **$ 402,847** | $1,143,225 | **$ -** | $ 800 | **$ 3,118** | $ - | **$405,965** | $1,144,025 |

**(Expressed in Canadian Dollars)**

## 7. Mineral properties (continued)

### (d) Exploration and evaluation expenditures (continued)

Six months ended April 30, 2023 and 2022

| | Ontario | | Star | | Mohave | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **April 30, 2023** | April 30, 2022 | **April 30, 2023** | April 30, 2022 | **April 30, 2023** | April 30, 2022 | **April 30, 2023** | April 30, 2022 |
| Assay and analysis | **$ 53,355** | $ 268,106 | **$ -** | $ - | **$ -** | $ - | **$ 53,355** | $ 268,106 |
| Camp accommodation | **440** | 65,630 | **-** | - | **-** | - | **440** | 65,630 |
| Drilling | **176,594** | 1,296,177 | **-** | - | **-** | - | **176,594** | 1,296,177 |
| Equipment rental | **13,209** | 21,642 | **-** | - | **-** | - | **13,209** | 21,642 |
| Field costs (recovery) | **168,135** | 185,868 | **-** | 1,400 | **41** | - | **168,176** | 187,268 |
| Geological (note 12(a)) | **250,050** | 162,561 | **-** | - | **-** | - | **250,050** | 162,561 |
| Property rentals and utilities | **67,853** | 100,835 | **-** | - | **-** | - | **67,853** | 100,835 |
| Salaries (note 12(a)) | **139,001** | 347,780 | **-** | - | **-** | - | **139,001** | 347,780 |
| Transportation and freight | **20,466** | 22,916 | **-** | - | **101** | - | **20,567** | 22,916 |
| Travel and accommodations | **25,260** | 49,924 | **-** | - | **2,976** | - | **28,236** | 49,924 |
| Grant received | **-** | (200,000) | **-** | - | **-** | - | **-** | (200,000) |
| Total | **$ 914,363** | $2,321,439 | **$ -** | $1,400 | **$ 3,118** | $ - | **$917,481** | $2,322,839 |

## 8. Loan payable

The Company received $40,000 for the Canada Emergency Business Account ("CEBA") interest free loan up to the initial term date of December 31, 2022. 25% of the loan balance will be forgiven if the balance of 75% of the loan balance is repaid by the initial term date of December 31, 2022. Subsequent to December 31, 2022, if 75% of the loan has not been repaid, then the loan is subject to an interest rate of 5% per annum and due for repayment by December 31, 2025. The loan payable has been initially recorded at fair value of $35,114 and is calculated based on the application of a fair value interest rate of 5% with the anticipated repayment date of December 31, 2022. The initial difference of $4,886 between the face value of $40,000 and the initial fair value of the loan payable of $35,114 has been recorded as a deferred gain on loan payable. During the 2022 fiscal year, the repayment deadline has been extended to December 31, 2023. During the period ended April 30, 2023, the balance of the deferred gain has been amortized and the accretion expenses recorded. The balance of the loan of $40,000 has been recategorized to current liabilities. The loan is subject to a forgiveness amount of $10,000 upon repayment by December 31, 2023.

## 9. Share capital

### (a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

### (b) Issued

Private placement activity for the period ended April 30, 2023 was as follows:

The Company closed the first tranche of the private placement on November 2, 2022 consisting of 1,300,000 non-flow through units at $0.20 per unit and 1,860,000 flow through units at $0.25 per unit for gross proceeds of $725,000. Each non-flow through unit consists of one common share and one warrant with an exercise price of $0.30 to purchase one common share for a period of 24 months from closing. Each flow through unit consists of one common share and one-half of one non-flow through warrant. Each whole warrant is exercisable at $0.30 for a period of 24 months from closing. In connection with the closing of the first tranche of the private placement, cash finder's fees of $33,000 were paid and

## 9. Share capital (continued)

### (b) Issued (continued)

136,750 common share purchase warrants with a fair value of $22,933 were issued. Each finder's warrant is exercisable at $0.30 for a period of 24 months from closing.

The second tranche of the private placement was closed on November 18, 2022 consisting of 2,155,000 non-flow through units at $0.20 per unit and 2,140,000 flow through units at $0.25 per unit for gross proceeds of $966,000. Each non-flow through unit consists of one common share and one warrant with an exercise price of $0.30 to purchase one common share for a period of 24 months from closing. Each flow through unit consists of one common share and one-half of one non-flow through warrant. Each whole warrant is exercisable at $0.30 for a period of 24 months from closing. In connection with the closing of the second tranche of the private placement, the Company paid cash finder's fees of $52,300 and issued 217,800 finder's warrants with a fair value of $35,937. Each finder's warrant is exercisable at $0.30 for a period of 24 months from closing.

Additional share issue costs of $23,261 were paid for legal, filing fees and bank charges.

There was no private placement completed for the six-month period ended April 30, 2022.

### (c) Shares issued for property

During the period ended April 30, 2023, the Company issued 600,000 common shares with a fair value of $180,000 per the Sabina Agreement (note 7(a)).

In addition, the Company issued 160,000 common shares with a fair value of $35,200 to acquire 100% of the rights, title and interest in a 2% net smelter return royalty on the Skinner Gold Property located in Ontario.

During the year ended October 31, 2022, the Company issued 800,000 common shares with a fair value of $352,000 per the Sabina Agreement (note 7(a)). Share issue costs of $269 were incurred for filing fees.

## 10. Share based payments and warrants

### (a) Security Based Compensation plan

The Company has a security based compensation plan under which the Board of Directors may from time to time grant to directors, senior officers, consultants and employees share units and options to acquire common shares, exercisable for a period of up to ten years from the date of grant. The security based compensation plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance for all purposes under the security based compensation plan shall not exceed 4,184,814 common shares of which 2,510,889 is reserved for stock options and 1,673,925 is allotted for other share compensation arrangements. The maximum number of common shares that may be reserved for issuance to any individual insider pursuant to security based compensation may not exceed 5% of the common shares issued and outstanding at the time of grant, and the number of common shares that may be reserved for issuance to all technical consultants pursuant to security based compensation may not exceed 2% of the common shares issued and outstanding at the time of grant. Security based compensation become exercisable as long as the optionee holds office or continues to be employed by the Company and 90 days following the cessation of an optionee's position with the Company.

### (b) Stock options

During the six months period ended April 30, 2022, 65,000 stock options with an exercise price of $1,50 expired unexercised.

**(Expressed in Canadian Dollars)**

## 10. Share based payments and warrants (continued)

### (b) Stock options (continued)

During the year ended October 31, 2022, 41,500 stock options with an exercise price of $2.00 expired unexercised.

A continuity schedule of the Company's outstanding stock options under the stock option plan is as follows:

| | Number Outstanding | Weighted Average Exercise Price |
|---|---|---|
| At October 31, 2021 | 2,245,500 | $1.44 |
| Expired | (41,500) | $2.00 |
| At October 31, 2022 | 2,204,000 | $1.43 |
| **Expired** | **(65,000)** | **$1.50** |
| **At April 30, 2023** | **2,139,000** | **$1.43** |

As at April 30, 2023, the Company had the following share purchase options outstanding and exercisable:

| Expiry Date | Exercise Price | Options Outstanding | Fair Value at Grant Date | Remaining Contractual Life (yrs) | Options Exercisable |
|---|---|---|---|---|---|
| December 17, 2023 | $ 1.50 | 157,500 | $ 1.05 | 0.64 | 157,500 |
| December 30, 2025 | $ 1.35 | 1,381,500 | $ 1.41 | 2.67 | 1,381,500 |
| May 10, 2026 | $ 1.60 | 600,000 | $ 1.51 | 3.03 | 450,000 |
| | | **2,139,000** | **$ 1.41** | **2.62** | **1,989,000** |

As at October 31, 2022, the Company had the following share purchase options outstanding and exercisable:

| Expiry Date | Exercise Price | Options Outstanding | Fair Value at Grant Date | Remaining Contractual Life (yrs) | Options Exercisable |
|---|---|---|---|---|---|
| March 5, 2023 | $ 1.50 | 65,000 | $ 1.20 | 0.35 | 65,000 |
| December 17, 2023 | $ 1.50 | 157,500 | $ 1.05 | 1.13 | 157,500 |
| December 30, 2025 | $ 1.35 | 1,381,500 | $ 1.41 | 3.17 | 1,036,125 |
| May 10, 2026 | $ 1.60 | 600,000 | $ 1.51 | 3.53 | 300,000 |
| | | **2,204,000** | **$ 1.40** | **3.04** | **1,558,625** |

The total fair value of the incentive options and broker warrants were calculated using the Black-Scholes option pricing model with the following weighted average assumptions and inputs:

| | **April 30, 2023** | October 31, 2022 |
|---|---|---|
| Risk-free interest rate | **1.23%** | 0.71% |
| Expected volatility | **159%** | 168% |
| Expected life | **4.46 years** | 4.91 years |
| Expected dividend yield | **-** | - |
| Share price | **$ 1.27** | $ 1.44 |
| Exercise price | **$ 1.26** | $ 1.42 |
| Expected forfeitures | **0.00%** | 0.00% |

## 10. Share based payments and warrants (continued)

### (b) Stock options (continued)

Expected stock price volatility was derived from historical movements in the closing prices of the Company's stock for a length of time equal to the expected life of the options. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0.00% in determining the expense recorded in the accompanying statements of comprehensive loss.

The fair value of the incentive options recognized as share-based payments for the six months period ended April 30, 2023 was $92,268 (April 30, 2022 - $565,513). The balance consists of $96,344 (April 30, 2022 - $580,923) to directors and officers, and a recovery of $4,076 (April 30, 2022 – recovery of $15,410) to consultants.

### (c) Restricted share units

On May 10, 2021, the Company issued 1,513,000 restricted share units ("RSUs") to certain officers, employees and consultants of the Company. The RSUs are payable in common shares of the Company or the cash equivalents at the option of the Company, on the redemption date, being three years from the date of grant. These RSUs vest in three equal instalments over three years. Prior to the end of the 2021 fiscal year, 25,000 restricted share units were cancelled due to the departure of an employee. As at April 30, 2023 and October 31, 2022, there were 1,488,000 RSUs outstanding, of which 496,000 (October 31, 2022 - 496,000) are vested.

The fair value of the RSUs calculated as share-based payments for the six months period ended April 30, 2023 equals $285,139 (April 30, 2022 - $649,340). For the six months period ended April 30, 2023, the balances consist of $288,051 (April 30, 2022 - $633,303) to directors and officers and a recovery of $2,912 (April 30, 2022 – $16,037) to consultants.

As at April 30, 2023, there were no redemption of the outstanding RSUs. The Company has not issued any common shares and no cash has been paid to officers, employees and consultants of the Company relating to these RSUs.

### (d) Warrants

For the six months period ended April 30, 2023, the following warrants were issued:

On November 2, 2022, the Company issued 2,230,000 warrants exercisable at $0.30 per warrant with an expiry date of 24 months in conjunction with the first tranche of the unit private placement that closed on November 2, 2022. Broker warrants of 136,750 with an exercise price of $0.30 and an expiry date of 24 months were also issued.

On November 18, 2022, the Company closed the second tranche of the private placement and issued 3,225,000 warrants exercisable at $0.30 per warrants with an expiry date of 24 months. Broker warrants of 217,800 with an exercisable price of $0.30 and an expiry date of 24 months were also issued.

During the six months period ended April 30, 2023, 3,023,480 warrants with an exercise price of $1.35 expired unexercised.

There were no warrants issued for the year ended October 31, 2022 and 4,521,135 warrants with an exercise price of $0.85 expired unexercised.

**(Expressed in Canadian Dollars)**

## 10. Share based payments and warrants (continued)

### (d) Warrants (continued)

A continuity schedule of the Company's outstanding warrants is as follows:

| | Number Outstanding | Weighted Average Exercise Price |
|---|---|---|
| At October 31, 2021 | 7,544,615 | $1.05 |
| Expired | (4,521,135) | ($0.85) |
| At October 31, 2022 | 3,023,480 | $1.35 |
| Issued – warrants for private placement | 5,455,000 | $0.30 |
| Issued – broker warrants | 354,550 | $0.30 |
| Expired | (3,023,480) | ($1.35) |
| **At April 30, 2023** | **5,809,550** | **$0.30** |

As at April 30, 2023, the Company had the following warrants outstanding and exercisable:

| Expiry Date | Exercise Price | Warrants Outstanding | Remaining Contractual Life (yrs) |
|---|---|---|---|
| November 2, 2024 | $0.30 | 2,366,750 | 1.51 |
| November 18, 2024 | $0.30 | 3,442,800 | 1.56 |
| | | **5,809,550** | **1.54** |

As at October 31, 2022, the Company had the following warrants outstanding and exercisable:

| Expiry Date | Exercise Price | Warrants Outstanding | Remaining Contractual Life (yrs) |
|---|---|---|---|
| December 22, 2022 | $1.35 | 3,023,480 | 0.14 |

## 11. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable (other than GST receivable), marketable securities, deposit, reclamation deposits, accounts payable and accrued liabilities, lease liability and loan payable.

The fair values of the Company's cash and cash equivalents, amounts receivable (other than GST receivable), marketable securities, deposit and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

These are classified as level 1 financial instruments. The Company's loan payable is classified as a level 2 financial instrument.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company considers its exposure to credit risk to be low, as its cash and cash equivalents, deposit and reclamation deposit are deposited with a large financial institution with a strong credit rating. Amounts receivable consists of GST receivable and credits on vendor payable balances.

## 11. Financial instruments (continued)

### (b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet obligations associated with its financial instruments. The Company manages liquidity risk by maintaining adequate cash and managing its capital. At April 30, 2023, the Company had accounts payable and accrued liabilities of $206,655 (October 31, 2022 - $155,041) and lease liability of $50,118 (October 31, 2022 - $100,510) and loan payable of $40,000 due within one year, and cash and cash equivalents of $603,218 (October 31, 2022 - cash of $224,796). At April 30, 2023, the cash equivalents consist of cashable term deposits of $219,000 with interest rate at 4.40% and maturity date of June 2, 2023. The term deposits are renewed every 35 days at the prevailing interest rate.

### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Floating interest earned on the Company's cash balances are considered to be at market interest rates. The deposit of $21,485 (October 31, 2022 - $28,709) earns no interest and is deposited with a major bank for the Company's corporate credit card. Assuming that all variables remain constant, a change representing a 1% increase or decrease in the interest rate would not have a significant effect for the Company.

### (d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency. At April 30, 2023, the Company's monetary assets and liabilities are primarily denominated in Canadian dollars.

There has been no change to the Company's approach to risk management during the six months period ended April 30, 2023.

## 12. Related party transactions and balances

The Company's related parties consist of its key management personnel, including its directors, and their close family members and entities controlled by key management personnel. During the three and six months ended April 30, 2023 and 2022, the Company had the following related party transactions:

(a) Key management compensation for the three months and six months periods ended April 30, 2023 and 2022 were as follows:

| | **3 months period ended April 30, 2023** | 3 months period ended April 30, 2022 | **6 months period ended April 30, 2023** | 6 months period ended April 30, 2022 |
|---|---|---|---|---|
| Short-term benefits **(i)** | **$ 193,264** | $ 185,159 | **$ 404,119** | $ 391,775 |
| Share-based payments **(ii)** | **169,273** | 555,647 | **384,395** | 1,214,226 |
| | **$ 362,537** | $ 740,806 | **$ 788,514** | $ 1,606,001 |

**(i)** Short-term benefits include $113,476 and $242,099 for the 3 and 6 months period ended April 30, 2023 ($104,390 and $229,275 – 3 and 6 months ended April 30, 2022) in management fees, $50,000 and $100,000 for the 3 and 6 months ended April 30, 2023 ($50,000 and $100,000 – 3 and 6 months ended April 30, 2022) in geological exploration expenditures, $29,788 and $62,019 for the 3 and 6 months ended April 30, 2023 ($30,769 and $62,500 – 3 and 6 months ended April 30, 2022) for exploration salaries.

### 12. Related party transactions and balances (continued)

**(ii)** Share-based payments include the calculated fair values of stock options and restricted share units granted. As at April 30, 2023, stock options vested have not been exercised and restricted share units vested have not been redeemed. Therefore, no common shares have been issued and no cash has been paid to related parties for these share-based payments recorded in these financial statements.

(b) At April 30, 2023, accounts payable and accrued liabilities include $27,559 (October 31, 2022 - $33,593) due to officers of the Company of which $27,154 is for management salaries and fees and $405 is for expense reimbursement. Interest is not charged on outstanding balances and there are no specified terms of repayment.

### 13. Segmented information

The Company has one reportable operating segment in three geographical locations, being the exploration and development of the Star property in British Columbia, Canada, the exploration and development of the Ontario Projects in Ontario, Canada and the exploration and development of the Mohave Project in Arizona, United States.

### 14. Management of capital

The Company's capital includes all amounts attributable to its shareholders. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, the Company may issue additional shares or debt. The Company is dependent on the capital markets as its primary source of operating capital, and the Company's capital resources are largely determined by the strength of the junior resource markets.

The Company is not subject to any capital requirements imposed by regulators or other third parties.

At April 30, 2023, the Company had cash of $603,218 and working capital of $585,158. The Company will require additional capital to fund its total obligations under the Option Agreement to purchase the Ontario Projects, the Star Property and the Mohave Project (note 7(c)) and general and administrative costs. However, there is no guarantee that such financing will be available to the Company or on suitable terms.

There were no changes in the Company's approach to capital management during the six months period ended April 30, 2023.

### 15. Commitments

The Company entered into a lease agreement for the office premises in Vancouver effective May 1, 2022 for a term of 18 months. The base rent for reminder of the lease term is $8,753 per month.