



VAL-D'OR MINING CORPORATION

Condensed Interim Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(unaudited)

(Expressed in Canadian Dollars)

VAL-D'OR MINING CORPORATION

NOTICE OF NO AUDITOR REVIEW OF CONDENSED 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 interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed 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 interim financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

VAL-D'OR MINING CORPORATION
Condensed Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

| Notes | As at September 30, 2022 | As at December 31, 2021 |
|--|---|--|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 5 \$ 1,664,578 | \$ 809,203 |
| Short-term investments | 6 842,031 | 649,065 |
| Accounts receivable | 8 230,915 | 28,172 |
| Sales taxes recoverable | 1,040 | 66,001 |
| Other assets | 7 51,076 | 27,895 |
| | 2,789,640 | 1,580,336 |
| Non-current assets | | |
| Exploration and evaluation assets | 9 734,468 | 519,773 |
| Long-term investments | 6 1,200,000 | 1,200,000 |
| Right-of-use assets | - | 974 |
| TOTAL ASSETS | \$ 4,724,108 | \$ 3,301,083 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 17 \$ 109,136 | \$ 114,198 |
| Flow-through premium liability | 12 39,395 | 92,127 |
| Lease liabilities | - | 708 |
| | 148,531 | 207,033 |
| Non-current liabilities | | |
| Loan | 11 60,000 | 60,000 |
| Total liabilities | 208,531 | 267,033 |
| EQUITY | | |
| Share capital | 12 8,626,553 | 7,050,910 |
| Contributed surplus | 1,034,826 | 903,424 |
| Warrants | 13 1,046,183 | 981,236 |
| Deficit | (6,191,985) | (5,901,520) |
| Total equity | 4,515,577 | 3,034,050 |
| TOTAL LIABILITIES AND EQUITY | \$ 4,724,108 | \$ 3,301,083 |

Going Concern (Note 2)

On behalf of the Board of Directors,

"Glenn J. Mullan"

(signed Glenn J. Mullan)

Director

"Louis Doyle"

(signed Louis Doyle)

Director

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

VAL-D'OR MINING CORPORATION

Condensed Interim Statements of Net loss and Comprehensive loss

(Unaudited)

(Expressed in Canadian Dollars)

| | Notes | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|-------|---|------------|--|------------|
| | | 2022 | 2021 | 2022 | 2021 |
| Revenues | | | | | |
| Geological service and other fees | | \$ 47,352 | \$ - | \$ 79,857 | \$ - |
| | | 47,352 | - | 79,857 | - |
| Operating expenses | | | | | |
| Share-based compensation | | \$ - | \$ - | \$ 131,402 | \$ 223,109 |
| Professional fees | 17 | 19,313 | 22,349 | 138,908 | 84,182 |
| Exploration and evaluation expenses | 17 | 65,079 | 54,604 | 177,888 | 140,102 |
| General and administrative expenses | 15 | 41,914 | 14,704 | 100,160 | 34,780 |
| Consulting fees | 17 | 12,000 | 6,000 | 30,000 | 18,000 |
| Regulatory and transfer agent fees | | 1,900 | 8,267 | 34,891 | 26,041 |
| Amortization of rights of use assets | | - | 487 | 973 | 1,460 |
| | | 140,206 | 106,411 | 614,222 | 527,674 |
| Other expenses (income) | | | | | |
| Unrealized loss (gain) on investments | | (385,930) | (377,080) | (192,965) | (793,010) |
| Other income from flow through funding | | (6,760) | (77,240) | (52,732) | (82,513) |
| Finance income | | (590) | (913) | (1,135) | (2,242) |
| Finance expense | | 1,473 | 2,447 | 2,932 | 3,476 |
| | | (391,807) | (452,786) | (243,900) | (874,289) |
| Net income (loss) before taxes | | \$ 298,953 | \$ 346,375 | \$ (290,465) | \$ 346,615 |
| Deferred tax expense | | - | 56,289 | - | 56,289 |
| Net income (loss) and total comprehensive income (loss) for the period | | 298,953 | 290,086 | (290,465) | 290,326 |
| Basic and diluted earnings (loss) per common share | 16 | 0.004 | 0.004 | (0.004) | 0.004 |

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

VAL-D'OR MINING CORPORATION

Condensed Interim Statements of Changes in Equity

(Unaudited)

(Expressed in Canadian Dollars)

| | Notes | Share capital | | Contributed Surplus | | Warrants | Deficit | Total | |
|---|-------|-------------------|---------------------|---------------------|------------------|-----------|------------------|-----------------------|---------------------|
| | | Number | | | | | | | |
| Balance as at January 1, 2022 | | 69,893,508 | \$ 7,050,910 | \$ | 903,424 | \$ | 981,236 | \$ (5,901,520) | \$ 3,034,050 |
| Issuance of units under a private placement | 12 | 8,727,954 | 1,135,161 | | - | | 261,312 | - | 1,396,473 |
| Share issuance costs | 12 | - | (32,283) | | - | | - | - | (32,283) |
| Issuance of shares on exercise of share purchase warrants | 12 | 2,763,997 | 472,765 | | - | | (196,365) | - | 276,400 |
| Share-based payments | | - | - | | 131,402 | | - | - | 131,402 |
| Net loss and comprehensive loss for the period | | - | - | | - | | - | (290,465) | (290,465) |
| Balance as at September 30, 2022 | | 81,385,459 | \$ 8,626,553 | \$ | 1,034,826 | \$ | 1,046,183 | \$ (6,191,985) | \$ 4,515,577 |

| | Notes | Share capital | | Contributed Surplus | | Warrants | Deficit | Total | |
|---|-------|-------------------|---------------------|---------------------|----------------|-----------|----------------|-----------------------|---------------------|
| | | Number | | | | | | | |
| Balance as at January 1, 2021 | | 64,911,938 | \$ 6,545,615 | \$ | 660,870 | \$ | 852,244 | \$ (5,922,439) | \$ 2,136,290 |
| Issuance of units under a private placement | 12 | 2,336,846 | 223,028 | | - | | 80,762 | - | 303,790 |
| Issuance of shares on exercise of incentive stock options | 14 | 422,500 | 47,120 | | (19,657) | | - | - | 27,463 |
| Share issuance costs | 12 | - | (2,305) | | - | | - | - | (2,305) |
| Share-based payments | | - | - | | 223,109 | | - | - | 223,109 |
| Net loss and comprehensive loss for the period | | - | - | | - | | - | 290,326 | 290,326 |
| Balance as at September 30, 2021 | | 67,671,284 | \$ 6,813,458 | \$ | 864,322 | \$ | 933,006 | \$ (5,632,113) | \$ 2,978,673 |

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

VAL-D'OR MINING CORPORATION
Condensed Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

| | | For the nine months ended September 30, | |
|---|-------|--|------------------|
| | Notes | 2022 | 2021 |
| OPERATING ACTIVITIES | | | |
| Net income (loss) for the period | \$ | (290,465) | \$ 290,326 |
| Adjustments: | | | |
| Share-based payments | | 131,402 | 223,109 |
| Unrealized loss (gain) on investments | | (192,965) | (793,010) |
| Other income from flow through funding | | (52,732) | (82,513) |
| Finance costs | | - | 119 |
| Deferred tax expense | | | 56,289 |
| Amortization of rights-of-use asset | | 973 | 1,460 |
| | | (403,787) | (304,220) |
| Change in non-cash working capital items | | | |
| Accounts receivable | | (202,743) | (3,956) |
| Sales taxes recoverable | | 64,961 | (34,184) |
| Other assets | | (23,181) | 10,847 |
| Accounts payable and accrued liabilities | | (5,062) | (52,427) |
| | | (166,025) | (79,720) |
| Cash flows used by operating activities | | (569,812) | (383,940) |
| INVESTING ACTIVITIES | | | |
| Proceeds on sale of short-term investments | | - | 123,776 |
| Additions to exploration and evaluation assets | | (214,695) | (60,581) |
| Tax credits received | | - | 37,124 |
| Cash flows from (used by) investing activities | | (214,695) | 100,319 |
| FINANCING ACTIVITIES | | | |
| Proceeds from issuance of units under a private placement | 12 | 1,396,473 | 303,790 |
| Proceeds from exercise of warrants | 13 | 276,400 | - |
| Proceeds from loan | | - | 20,000 |
| Proceeds from exercise of stock options | | - | 27,463 |
| Share issue expenses | | (32,283) | (2,305) |
| Repayment of lease liabilities | | (708) | (1,384) |
| Cash flows from financing activities | | 1,639,882 | 347,564 |
| Increase in cash | | 855,375 | 63,943 |
| Cash and cash equivalents, beginning of period | | 809,203 | 639,255 |
| Cash and cash equivalents, end of period | \$ | 1,664,578 | \$ 703,198 |

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

VAL-D'OR MINING CORPORATION
Notes to Condensed Interim Financial Statements
As at September 30, 2022 and 2021
(Expressed in Canadian dollars unless otherwise noted)

1) STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Val-d'Or Mining Corporation (the "Company"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9.

The Company's shares trades on the TSX Venture Exchange ("TSX-V") under its trading symbol "VZZ".

As at September 30, 2022, Golden Valley Mines and Royalties Ltd. ("Golden Valley"), a significant shareholder, held a 35.59% (December 31, 2021 - 36.75%) interest in the Company. As a result of a business combination involving Golden Valley and Gold Royalty Corp., ("Gold Royalty") (NYSE: GROY) completed on November 5, 2021, Gold Royalty has indirectly become the Company's largest shareholder.

2) BASIS OF PRESENTATION AND GOING CONCERN

These condensed interim financial statements, approved by the Board of Directors on November 28, 2022, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". These condensed interim financial statements as well as the related notes should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2021.

The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospection operations, its projects and continued support of suppliers and creditors. The Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has accumulated deficit and has not yet generated significant income or cash flows from its operations and there is no assurance that the business will be profitable in the future.

These material uncertainties may cast significant doubt regarding the Company's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

VAL-D'OR MINING CORPORATION
Notes to Condensed Interim Financial Statements
As at September 30, 2022 and 2021
(Expressed in Canadian dollars unless otherwise noted)

3) ADOPTION OF NEW ACCOUNTING STANDARDS

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

The Company has considered the amendments to IAS 16, Property Plant and Equipment, IAS 37, Provisions, Contingent Liabilities and Contingent Assets and IFRS 3 Business Combinations which are effective for annual periods beginning on or after January 1, 2022 and has concluded that these amendments have no impact on the Company's financial statements.

4) JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing financial statements, management undertakes a number of estimates, judgments and assumptions about recognition and measurement of assets, liabilities, income and expenses. These estimates and judgments are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the annual audited consolidated financial statements as at and for the year ended December 31, 2021.

5) CASH AND CASH EQUIVALENTS

| | As at September 30, 2022 | As at December 31, 2021 |
|--|---|--|
| Cash | \$ 1,463,759 | \$ 379,203 |
| Cash from flow-through funding (note 11) | 170,819 | 400,000 |
| Demand deposit | 30,000 | 30,000 |
| | \$ 1,664,578 | \$ 809,203 |

The deposit is due on demand and bears interest at 0.80% per annum and maturing on February 5, 2023.

VAL-D'OR MINING CORPORATION
Notes to Condensed Interim Financial Statements
As at September 30, 2022 and 2021
(Expressed in Canadian dollars unless otherwise noted)

6) INVESTMENTS

The short-term portion of investments of \$842,031 as at September 30, 2022 (December 31, 2021 - \$649,065) is comprised of marketable securities, representing shares of publicly traded mining exploration companies, that are recorded at fair value using quoted market prices.

The long-term portion of investments of \$1,200,000 as at September 30, 2022 (December 31, 2021 - \$1,200,000) is comprised of common shares of private mining exploration companies that do not have a quoted market price in an active market. The Company assessed the fair value of these shares based on techniques and assumptions that emphasized both qualitative and quantitative information.

7) OTHER ASSETS

| | As at September 30, 2022 | As at December 31, 2021 |
|------------------------------------|---|--|
| Deposits | \$ 23,469 | \$ 18,380 |
| Prepaid expenses | 23,436 | 7,630 |
| Due from related parties (note 17) | 4,171 | 1,885 |
| | \$ 51,076 | \$ 27,895 |

8) ACCOUNTS RECEIVABLE

Accounts receivable of \$230,915 as at September 30, 2022 (December 31, 2021 - \$28,172) includes (a) an amount of \$182,075 (December 31, 2021 - \$nil) relating to the joint venture agreements with Eldorado Gold (Québec) Inc. ("Eldorado") (Note 9), Being the operator of the properties under the joint venture agreements, Val-d'Or Mining performs initial exploration programs which expenditures are reimbursed, plus a geological fee, by Eldorado, (b) of \$35,043 (December 31, 2021 - \$26,951) for rental of building space to Québec Nickel Corp (Note 10) and (c) of \$13,797 (December 31, 2021 - \$nil) due from Golden Valley under the Shared Cost Arrangement (Note 17).

VAL-D'OR MINING CORPORATION
Notes to Condensed Interim Financial Statements
As at September 30, 2022 and 2021
(Expressed in Canadian dollars unless otherwise noted)

9) EXPLORATION AND EVALUATION ASSETS

The following table presents a summary of exploration and evaluation assets by principal areas of interests:

| | As at January 1, 2022 | Net Additions | Impairment | Government Assistance | As at September 30, 2022 |
|--------------|-----------------------------|------------------|------------|--------------------------|--------------------------------|
| Québec | \$ 435,773 | 74,660 | - | - | \$ 510,433 |
| Ontario | 84,000 | 139,528 | - | - | 223,528 |
| Québec North | - | 507 | - | - | 507 |
| | \$ 519,773 | 214,695 | - | - | \$ 734,468 |

| | As at January 1, 2021 | Net Additions | Impairment | Government Assistance | As at December 31, 2021 |
|--------------|-----------------------------|------------------|------------|--------------------------|-------------------------------|
| Québec | \$ 149,728 | 286,045 | - | - | \$ 435,773 |
| Ontario | 5,000 | 81,000 | (2,000) | - | 84,000 |
| Québec North | - | - | - | - | - |
| | \$ 154,728 | 367,045 | (2,000) | - | \$ 519,773 |

a) Amended Mining Option Agreement and Exercise of Option with Golden Valley

On April 18, 2017, the Company signed a Mining Option Agreement with Golden Valley to acquire a 100% interest in a group of properties located in the Abitibi Greenstone Belt consisting of 61 grassroots properties. This Agreement was subsequently amended on November 28, 2019, and the Company exercised its option on December 5, 2019.

Golden Valley is eligible to receive 20% of the proceeds of all third-party transactions pertaining to the properties that Val-d'Or Mining enters into and announces on or before December 31, 2022. Further, the properties are subject to a royalty in favour of Golden Valley Mines equal to 1.25% of the net smelter returns, whereby Val-d'Or Mining has a partial buyback right. The partial buyback right pertains to each individual property, whereby 1% may be bought for \$500,000 on a property-by-property basis with a maximum total consideration of \$5,000,000 at which point in time the NSR royalty on all the properties would be reduced by 1.0%.

VAL-D'OR MINING CORPORATION
Notes to Condensed Interim Financial Statements
As at September 30, 2022 and 2021
(Expressed in Canadian dollars unless otherwise noted)

9) EXPLORATION AND EVALUATION ASSETS (continued)

b) Mining Option Agreements with Eldorado Gold (Québec) Inc.

On November 10, 2021, the Company entered into two separate option agreements (the "Option Agreements") with Eldorado Gold (Québec) Inc. ("Eldorado"), a wholly owned subsidiary of Eldorado Gold Corporation.

The first Option Agreement (the "Perestroika Ouest Option") is for the Perestroika Ouest property (the "Perestroika Ouest Property"), which is located in the Province of Québec. This agreement enables Eldorado to earn and acquire a 70% interest in the Perestroika Ouest Property by spending a minimum \$1 million in exploration expenditures over a period of five years and making payments of \$10,000 per annum to the Company until Eldorado exercises the Perestroika Ouest Option.

The second Option Agreement (the "Blue Mountain and Victoria Creek Option") is for the Blue Mountain property and the Victoria Creek property (the "Blue Mountain and Victoria Creek Properties"), located in the Province of Ontario. This agreement enables Eldorado to earn and acquire a 70% interest in the Blue Mountain and Victoria Creek Properties by spending a minimum of \$3 million in exploration expenditures over a period of five years and making annual payments of \$10,000 per annum to the Company until Eldorado exercises the Blue Mountain and Victoria Creek Option.

Upon exercise of either Option Agreement, the parties will be deemed to have formed a joint venture in accordance with the terms set out in each of the Option Agreement. Furthermore, in order to earn and acquire an additional 10% undivided interest in the Option Agreements, Eldorado will contribute all joint venture expenditures on behalf of the parties, and deliver to the Company, a preliminary economic assessment report in respect of the applicable Perestroika Ouest Property, Blue Mountain and Victoria Creek Properties.

Exploration and Evaluation assets by expenditures

The following table presents a summary of exploration and evaluation assets by expenditures:

| | As at January 1, 2022 | Net Additions | Impairment | Government Assistance | As at September 30, 2022 |
|-------------------------------------|-----------------------------|------------------|------------|--------------------------|--------------------------------|
| Geophysical and geochemical surveys | \$ 193,616 | 194,708 | - | - | \$ 388,324 |
| Claims staking | - | 6,576 | - | - | 6,576 |
| Prospecting | 134,433 | - | - | - | 134,433 |
| Striping and excavation | 3,383 | - | - | - | 3,383 |
| Line cutting | 23,551 | - | - | - | 23,551 |
| Reporting | 99,120 | 561 | - | - | 99,681 |
| Other | 65,670 | 12,850 | - | - | 78,520 |
| | \$ 519,773 | 214,695 | - | - | \$ 734,468 |

VAL-D'OR MINING CORPORATION
Notes to Condensed Interim Financial Statements
As at September 30, 2022 and 2021
(Expressed in Canadian dollars unless otherwise noted)

9) EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and Evaluation assets by expenditures

The following table presents a summary of exploration and evaluation assets by expenditures:

| | As at January 1, 2021 | Net Additions | Impairment | Government Assistance | As at December 31, 2021 |
|-------------------------|-----------------------------|------------------|------------|--------------------------|-------------------------------|
| Geophysical surveys | \$ 116,093 | 77,523 | - | - | \$ 193,616 |
| Prospecting | 35,252 | 101,181 | (2,000) | - | 134,433 |
| Striping and excavation | 3,383 | - | - | - | 3,383 |
| Line cutting | - | 23,551 | - | - | 23,551 |
| Reporting | - | 99,120 | - | - | 99,120 |
| Other | - | 65,670 | - | - | 65,670 |
| | \$ 154,728 | 367,045 | (2,000) | - | \$ 519,773 |

10) ROYALTY INTERESTS

a) Ducros Group of Properties

On October 6, 2020, Val-d'Or Mining entered into an agreement with respect to the sale of several properties referred to as the Ducros Group of Properties. The properties are located in the Ducros Township northeast of Val-d'Or, Québec. The purchaser of the property is Québec Nickel Corp. ("QNC"). In consideration for a 100% interest in the properties, QNC issued 3,589,341 special warrants to the Company (of which Golden Valley received 80,880 special warrants in accordance with the terms of an amended and restated option agreement between the Company and Golden Valley dated November 28, 2019). In addition, the Company was granted a royalty of 1.5% of the net smelter returns from the properties which were sold under the agreement, as well as those properties which were staked or will be otherwise acquired by QNC within an area of influence.

b) Powell Prospect

On February 6, 2020, the Company entered into an agreement with respect to the sale of its Powell Prospect, which is located in the Matachewan gold camp of the Abitibi Greenstone Belt region of Ontario. The purchaser of the property is Sparton Resources Inc. ("Sparton"). In consideration for a 100% interest in the property, the Company received 1,000,000 shares in the share capital of Sparton and the Company was granted a royalty of 2% from the property. One percent of the net smelter return (or 50% of the 2% net smelter royalty) may be purchased by Sparton at any time after the acquisition of the claims for US\$2.5 million.

VAL-D'OR MINING CORPORATION
Notes to Condensed Interim Financial Statements
As at September 30, 2022 and 2021
(Expressed in Canadian dollars unless otherwise noted)

10) ROYALTY INTERESTS (continued)

c) Luc Bourdon Prospect

On December 12, 2019, the Company entered into an agreement with respect to the sale of its Luc Bourdon property, which is located in the James Bay region of northern Ontario. The purchaser of the property is privately-owned Juno Corp. ("Juno"). In consideration for a 100% interest in the property, the Company received 1,500,000 shares in the share capital of Juno, and the Company was granted a royalty of 1.5% of the net smelter returns from the property.

d) Horne North Prospects

On December 16, 2019, the Company entered into a mineral claim sale agreement for ten exploration properties, which are located in the Abitibi Greenstone Belt of NW Québec. The purchaser is privately-owned Progenitor Metals Corp. ("Progenitor Metals"). In consideration for 100% of the Horne North Prospects, the Company received 5,345,657 shares in the capital of Progenitor Metals at a deemed value of \$0.20 per share, for an aggregate deemed consideration of \$1,069,131. The payment shares were split between Val-d'Or Mining and Golden Valley Mines, whereby Val-d'Or Mining retained 80% of the aggregate consideration (4,276,526 shares (or \$855,305)) and Golden Valley received 20% of the consideration (1,069,131 shares (or \$213,826)) pursuant to the terms of the recently amended Mining Option Agreement.

11) LOAN

The Company applied for and received the \$60,000 Canada Emergency Business Account which is an interest-free loan to cover operating costs. Repaying the balance of the loan on or before December 31, 2023 will result in a loan forgiveness of \$20,000.

12) EQUITY

Share Capital

Authorized

Unlimited number of voting common shares without par value.

VAL-D'OR MINING CORPORATION
Notes to Condensed Interim Financial Statements
As at September 30, 2022 and 2021
(Expressed in Canadian dollars unless otherwise noted)

12) EQUITY (continued)

Movements in Share Capital

| | For the nine months ended September 30, | | | |
|---|---|---------------------|------------|--------------|
| | 2022 | | 2021 | |
| | Number | | Number | |
| Balance, beginning of period | 69,893,508 | \$ 7,050,910 | 64,911,938 | \$ 6,545,615 |
| Issuance of units under a private placement | 8,727,954 | 1,135,161 | 2,336,846 | 223,028 |
| Issuance of shares on exercise of incentive stock options | - | - | 422,500 | 47,120 |
| Issuance of shares on exercise of share purchase warrants | 2,763,997 | 472,765 | - | - |
| Share issuance costs | - | (32,283) | - | (2,305) |
| Balance, end of period | 81,385,459 | \$ 8,626,553 | 67,671,284 | \$ 6,813,458 |

2022 transactions on share capital

Issuance of Units under a private placement

On March 18, 2022, the Company completed a non-brokered private placement offering pursuant to which it issued 8,727,954 Units at a per Unit price of \$0.16, for gross proceeds of \$1,396,473. Each Unit consisted of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each whole warrant entitling to the purchase of one common share at a per share price of \$0.20 until March 18, 2024.

The fair value of the 4,363,977 warrants was estimated at \$261,312. The residual method, using the Black-Scholes pricing model was retained to estimate fair value with the following assumptions: an expected volatility of 119.91%, a risk-free interest rate of 1.83%, an expected unit life of two years, no expected dividend yield and a share price of \$0.12 at date of grant. The fair value of these warrants was deducted from share capital and recorded as an increase of Warrants in the statement of changes in equity.

Issuance of Units under a private placement (continued)

In connection with the financing, share issuance costs of \$32,283, consisting of administration fees of \$8,000 and legal fees and regulatory fees of \$24,283, were incurred in relation to the private placement.

Issuance of shares on exercise of share purchase warrants

For the three months ended September 30, 2022, no share purchase warrants were exercised.

For the nine months ended September 30, 2022, the Company issued 2,763,997 of its common shares pursuant to the exercise of 2,763,997 warrants share purchase warrants for a total consideration of \$276,400.

VAL-D'OR MINING CORPORATION
Notes to Condensed Interim Financial Statements
As at September 30, 2022 and 2021
(Expressed in Canadian dollars unless otherwise noted)

12) EQUITY (continued)

2021 transactions on share capital

Issuance of Units under a private placement

On May 6, 2021, the Company completed a non-brokered private placement offering pursuant to which it issued 2,336,846 Units at a per Unit price of \$0.13, for gross proceeds of \$303,790. Each Unit comprised of one common share in the capital of the Company and one-half of one non-transferable common share purchase warrant, each whole warrant exercisable for the purchase of one common share of the Company at a per share price of \$0.19 until May 6, 2023.

The fair value of the 1,168,423 warrants was estimated at \$80,762. The related fair value method, using the Black-Scholes pricing model was retained to estimate fair value with the following assumptions: an expected volatility of 169.61%, a risk-free interest rate of 0.30%, an expected unit life of 2 years, no expected dividend yield and a share price of \$0.13 at date of grant. The fair value of these warrants was deducted from share capital and recorded as an increase of Warrants in the statement of changes in equity.

Issuance of shares on exercise of incentive stock options

For the three and nine months ended September 30, 2021, the Company issued 245,000 and 422,500 of its common shares for at total consideration of \$15,925 and \$27,463, respectively from the exercise of stock options at prices of \$0.065 per share.

Issuance of Flow-Through Common Shares

On December 21, 2021, the Company completed a non-brokered private placement offering (the "Offering") for gross proceeds of \$400,000. The Company issued 1,111,112 National Flow-Through Common Shares and 1,111,112 Québec Flow-Through Common Shares (together, the "FT Shares") at a per FT Share price of \$0.18. The FT Shares will be "flow-through shares" as defined in the Income Tax Act (Canada) and the Taxation Act (Québec), as applicable.

Issuance of Flow-Through Common Shares (continued)

The flow-through shares were issued at a premium of \$0.05 per share to the current market price of the Company's shares at the day of issue. The premium of \$92,127 was recognized as a liability with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures were incurred. For the three and nine months ended September 30, 2022, flow-through share premium of \$6,760 and \$52,732 was reallocated to other income, respectively

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13) WARRANTS

The following table shows the changes in warrants:

| | For the nine months ended September 30, 2022 | | For the nine months ended September 30, 2021 | |
|--|---|---------------------------------------|---|---------------------------------------|
| | Number of warrants | Weighted average exercise price | Number of warrants | Weighted average exercise price |
| Outstanding, beginning of period | 4,278,391 | \$ 0.13 | 4,046,838 | \$ 0.12 |
| Issued under a private placement (note 11) | 4,363,977 | 0.20 | 1,168,423 | 0.19 |
| Exercised | (2,763,997) | 0.10 | - | - |
| Expired | (123,749) | 0.20 | - | - |
| Outstanding, end of period | 5,754,622 | \$ 0.20 | 5,215,261 | \$ 0.13 |

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

| Expiration date | As at September 30, 2022 | | As at September 30, 2021 | |
|-------------------|--------------------------------------|-------------------|--------------------------------------|-------------------|
| | Number of outstanding warrants | Exercise price | Number of outstanding warrants | Exercise price |
| October 18, 2021 | - | \$ - | 1,159,090 | \$ 0.15 |
| May 7, 2022 | - | - | 2,797,332 | 0.10 |
| July 3, 2022 | - | - | 90,416 | 0.24 |
| May 6, 2023 | 1,168,423 | 0.19 | 1,168,423 | 0.19 |
| December 21, 2023 | 222,222 | 0.18 | - | - |
| March 18, 2024 | 4,363,977 | 0.20 | - | - |
| | 5,754,622 | \$ 0.20 | 5,215,261 | \$ 0.13 |
| | 5,754,622 | 0.20 | 5,215,261 | 0.13 |

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14) SHARE-BASED PAYMENTS

Stock option plan

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors, but would not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the Exchange; if no sales were reported, it would be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported.

The vesting period of the options would be determined by the Board of Directors, in accordance with the rules and regulations of the TSX Venture Exchange. All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash.

A summary of changes in the number of incentive stock options is presented as follows:

| | For the nine months ended September 30, 2022 | | For the year ended December 31, 2021 | |
|----------------------------------|---|---------------------------------------|---|---------------------------------------|
| | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price |
| Outstanding, beginning of period | 6,766,943 | \$ 0.118 | 4,846,210 | \$ 0.110 |
| Granted | 2,100,000 | 0.080 | 2,393,233 | 0.123 |
| Exercised | - | - | (422,500) | 0.065 |
| Forfeited | (805,097) | (0.110) | (50,000) | 0.075 |
| Outstanding, end of period | 8,061,846 | \$ 0.108 | 6,766,943 | \$ 0.118 |

Incentive Stock Options granted in 2022

On June 23, 2022, the Company granted to its directors, officers, employees and consultants incentive stock options entitling the purchase of an aggregate 1,700,000 common shares at an exercise price of \$0.08 per share. The options are exercisable for a period of five years until June 23, 2027 and are exercisable immediately.

The fair value of the 1,700,000 stock options has been estimated on the date of issue at \$107,635, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: \$0.08; expected dividend yield: nil; expected volatility: 131.65%; risk-free interest rate: 3.14%; expected life: 5 years and exercise price at the date of grant: \$0.08 per share.

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14) SHARE-BASED PAYMENTS (continued)

Incentive Stock Options granted in 2022 (continued)

On June 29, 2022, the Company granted to an officer and a consultant incentive stock options entitling the purchase of an aggregate 400,000 common shares at an exercise price of \$0.075 per share. The options are exercisable for a period of 5 years until June 29, 2027 and are exercisable immediately.

The fair value of the 400,000 stock options has been estimated on the date of issue at \$23,767, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: \$0.075; expected dividend yield: nil; expected volatility: 131.94%; risk-free interest rate: 3.16%; expected life: 5 years and exercise price at the date of grant: \$0.075 per share.

Incentive Stock Options granted in 2021

On February 22, 2021, the Company granted to its directors, officers, employees and consultants incentive stock options entitling the purchase of an aggregate 1,615,233 common shares at an exercise price of \$0.13 per share. The options are exercisable for a period of 5 years until February 22, 2026 and are exercisable immediately. The fair value of the 1,615,233 stock options has been estimated on the date of issue at \$170,835, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: \$0.13; expected dividend yield: nil; expected volatility: 144.01%; risk-free interest rate: 0.53%; expected life: 5 years and exercise price at the date of grant: \$0.13 per share.

On June 28, 2021, the Company granted to its directors, officers, employees and consultants incentive stock options entitling the purchase of an aggregate 600,000 common shares at an exercise price of \$0.11 per share. The options are exercisable for a period of 5 years until June 28, 2026 and are exercisable immediately. The fair value of the 600,000 stock options has been estimated on the date of issue at \$52,274, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: \$0.11; expected dividend yield: nil; expected volatility: 133.55%; risk-free interest rate: 0.87%; expected life: 5 years and exercise price at the date of grant: \$0.11 per share.

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14) SHARE-BASED PAYMENTS (continued)

As at September 30, 2022, the number of outstanding stock options that could be exercised for an equal number of common shares is as follow:

| Expiration date | Number of options | Exercise price |
|-------------------|-------------------|----------------|
| February 5, 2023 | 2,025,000 | 0.105 |
| October 24, 2023 | 210,000 | 0.110 |
| June 17, 2024 | 497,263 | 0.075 |
| June 26, 2025 | 1,111,350 | 0.150 |
| February 22, 2026 | 1,415,233 | 0.130 |
| June 28, 2026 | 525,000 | 0.110 |
| November 10, 2026 | 178,000 | 0.110 |
| June 23, 2027 | 1,700,000 | 0.080 |
| June 29, 2027 | 400,000 | 0.075 |
| | 8,061,846 | \$ 0.108 |

Restricted Share Unit Plan

At the annual general and special meeting of shareholders held on June 27, 2016, the shareholders approved the adoption and implementation of a Restricted Share Unit Plan (the "RSU Plan"). The RSU Plan provides that restricted share units ("Share Units") may be granted by the Company's Compensation and Corporate Governance Committee (the "Committee") to executive officers, directors, employees and consultants (each a "Participant") as a bonus or similar payment in respect of services rendered or otherwise as compensation, including as an incentive for future performance. At the time Share Units are granted to a Participant, the Committee will determine any time-based or other conditions as to the vesting of the Share Units and the expiry date (the "Expiry Date") for such Share Units. The Expiry Date of a Share Unit will be decided at the grant date. The aggregate number of common shares issuable pursuant to Share Units granted under the RSU Plan will not, at any given time, exceed 1,288,199 common shares.

No restricted shares units were issued for the three and nine months ended September 30, 2022 and 2021.

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15) GENERAL AND ADMINISTRATIVE EXPENSES

The following table summarizes general and administrative expenses for the three and nine months ended September 30, 2022 and 2021.

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|----------------------------------|---|------------------|--|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Investor relations and marketing | \$ 17,237 | \$ 3,000 | \$ 38,542 | \$ 9,000 |
| Office and building expenses | 22,449 | 8,149 | 37,270 | 21,667 |
| Travel and entertainment | 2,228 | 3,555 | 24,348 | 4,113 |
| | \$ 41,914 | \$ 14,704 | \$ 100,160 | \$ 34,780 |

16) EARNINGS (LOSS) PER SHARE

Earnings (loss) per share has been calculated using the weighted average number of common shares outstanding for the three and nine months ended September 30, 2022 and 2021 as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--|---|------------|--|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net income (loss) for the period | \$ 298,953 | \$ 290,086 | \$ (290,465) | \$ 290,326 |
| Weighted average number of common shares - Basic | 80,535,643 | 67,671,284 | 75,931,865 | 66,459,077 |
| Dilutive effect of stock options and warrants | 354,510 | 1,132,234 | - | 1,297,187 |
| Weighted average number of common shares - Diluted | 80,890,153 | 68,803,518 | 75,931,865 | 67,756,264 |
| Basic earnings (loss) per share | \$ 0.004 | \$ 0.004 | \$ (0.004) | \$ 0.004 |
| Diluted earnings (loss) per share | 0.004 | 0.004 | (0.004) | 0.004 |

For the three and nine months ended September 30, 2022, potential dilutive common shares from 5,464,583 and 2,926,583 incentive stock options, respectively and 5,754,622 warrants have not been included in the loss per share calculation as they would result in a reduction of the loss per share.

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17) RELATED PARTY TRANSACTIONS

a) Transactions with a shareholder

Effective July 1, 2020, the Company entered into a Cost Sharing Arrangement (the "Sharing Arrangement") with Golden Valley, pursuant to which Golden Valley will provide certain management and financial services such as office space and administrative support relating to the exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9, in consideration of \$8,919 per year (the "reimbursement"), payable on a monthly basis. The Sharing Arrangement provides for the reimbursement to be reviewed on an annual basis. For the three and nine months ended September 30, 2022, the Company reimbursed Golden Valley the amount of \$5,145 and \$6,959, respectively (for the three and nine months ended September 30, 2021 - \$3,477 and \$7,105, respectively) relating to this arrangement. This Sharing Arrangement was terminated on June 30, 2022.

Effective July 1, 2022, the Company entered into a Cost Sharing Arrangement with Gold Royalty, pursuant to which the Company will provide certain management and financial services such as office space and administrative support relating to the exploration offices of certain subsidiaries of Gold Royalty located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9, in consideration of \$48,000 per year, payable on a monthly basis. For the three and nine months ended September 30, 2022, the Company was reimbursed by Gold Royalty, through its wholly owned subsidiary Golden Valley, in the amount of \$12,000 and \$12,000, respectively relating to this new arrangement.

For efficiency reasons, where the Company and Golden Valley are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at September 30, 2022, the Company had net receivable of \$9,968 (December 31, 2021 - receivable of \$1,780) due from Golden Valley.

b) Transactions with key management

Key management personnel of the Company is comprised of the members of the Board of Directors, as well as the President, the Chief Operating Officer ("COO"), the Chief Financial Officer ("CFO") and the Vice-President Exploration ("VP Exploration").

- For the three and nine months ended September 30, 2022, the Company incurred consulting fees of \$10,500 and \$31,500 (for the three and nine months ended September 30, 2021 - \$3,000 and \$9,000) paid by the Company to 2973090 Canada Inc. ("2973090") relating to the services of the Company's CEO which were recorded under exploration and evaluation expenses in the statements of net income (loss) and comprehensive income (loss). As at September 30, 2022, the Company had indebtedness of \$3,000 (December 31, 2021 - \$1,150), recorded in accounts payable and accrued liabilities, due to the CEO.

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17) RELATED PARTY TRANSACTIONS (continued)

b) Transactions with key management (continued)

- For the three and nine months ended September 30, 2022, the Company incurred consulting fees of \$24,000 and \$72,000 (for the three and nine months ended September 30, 2021 - \$24,000 and \$72,000) paid by the Company to 9184-0876 Quebec Inc. relating to the services of the COO of which \$18,000 (2021 - \$18,000) and \$54,000 (2021 - \$54,000) was recorded under exploration and evaluation expenses and \$6,000 (2021 - \$6,000) and \$18,000 (2021 - \$18,000) was recorded under consulting fees in the statements of net income (loss) and comprehensive income (loss). As at September 30, 2022 and December 31, 2021, no amount was due to the COO.
- For the three and nine months ended September 30, 2022, the Company incurred consulting fees of \$3,348 and \$10,043 (for the three and nine months ended September 30, 2021 - \$10,043 and \$16,738) paid by the Company to Rosatelli Exploration Services relating to the services of the Company's former VP Exploration which were recorded under exploration and evaluation expenses in the statements of net income (loss) and comprehensive income (loss). As at September 30, 2022, the Company had indebtedness of \$3,848 (December 31, 2021- \$7,698) due to the VP Exploration included in accounts payable and accrued liabilities.
- For the three and nine months ended September 30, 2022, the Company incurred consulting fees of \$9,000 and \$9,000 (for the three and nine months ended September 30, 2021 - \$nil) paid by the Company to Caracle Creek International Consulting Inc relating to the services of the Company's VP Exploration which were recorded under exploration and evaluation expenses in the statements of net income (loss) and comprehensive income (loss). As at September 30, 2022, the Company had indebtedness of \$9,450 (December 31, 2021- \$nil) due to the VP Exploration included in accounts payable and accrued liabilities.
- For the three and nine months ended September 30, 2022, the Company incurred consulting fees of \$6,000 and \$18,000 (for the three and nine months ended September 30, 2021 - \$nil) with the Chief Financial Officer which were recorded under Professional fees in the statements of net income (loss) and comprehensive income (loss). As at September 30, 2022, the Company had indebtedness of \$6,780 (December 31, 2021 - \$nil) to the Company's Chief Financial Officer included in accounts payable and accrued liabilities.
- For the three months ended September 30, 2022 and 2021, no incentive stock options were granted. For the nine months ended September 30, 2022, the Company granted incentive stock options to key management personnel to purchase an aggregate 1,875,000 common shares of the Company. The Company recorded a stock-based compensation of \$117,156 relating to this grant. For the nine months ended September 30, 2021, the Company granted incentive stock options to key management personnel to purchase an aggregate 2,215,233 common shares of the Company and recorded a stock-based compensation of \$223.109 relating to these grants.

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17) RELATED PARTY TRANSACTIONS (continued)

c) Transactions with related parties

- For the three and nine months ended September 30, 2022, the Company incurred fees of \$4,500 and \$13,500 (for the three and nine months ended September 30, 2021 - \$nil) with an individual, the spouse of the COO, as part of a consulting agreement for accounting services. These fees were recorded under Professional fees in the statements of net income (loss) and comprehensive income (loss).
- For the three and nine months ended September 30, 2022, the Company incurred fees of \$6,000 and \$12,000 (for the three and nine months ended September 30, 2021 - \$nil) with an individual, the spouse of the CEO, as part of a consulting agreement for corporate finance and advisory services. These fees were recorded under Consulting fees in the statements of net income (loss) and comprehensive income (loss).
- For efficiency reasons, where the Company and related parties are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at September 30, 2022, the Company had a receivable of \$4,171 (December 31, 2021 - \$1,885) due from companies related by common management.

18) COMMITMENTS

- The Company entered into a consulting agreement with the CEO for an annual payment of \$42,000. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to \$200,000 if the consulting agreement is terminated by the Company, and \$100,000 if the consulting agreement is terminated by the CEO within six months from the date of change of control.
- The Company entered into a consulting agreement with the COO for an annual payment of \$96,000. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to \$200,000 if the consulting agreement is terminated by the Company, and \$100,000 if the consulting agreement is terminated by the COO within six months from the date of change of control.
- The Company entered into a consulting agreement with the Chief Financial Officer for an annual payment of \$24,000. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to \$24,000 if the consulting agreement is terminated by the Company within twelve months from the date of change of control.
- As at September 30, 2022, the Company has still to incur exploration expenditures by December 31, 2022 in the amount of \$170,819 from its flow-through funds.

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19) FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and liabilities

Financial assets and liabilities measured at amortized cost for which a fair value is provided in the statement of financial position are presented in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. There have been no significant transfers between Levels 1, 2 and 3 in the reporting periods. The techniques and evaluation methods used to measure fair value were not changed compared to previous years.

The carrying amounts and fair values of financial instruments presented in the statement of financial position are as follows:

| | As at September 30, 2022 | | As at December 31, 2021 | |
|---------------------------|-----------------------------|--------------|----------------------------|--------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Cash and cash equivalents | 1,664,578 | 1,664,578 | 809,203 | 809,203 |
| Accounts receivable | 230,915 | 230,915 | 28,172 | 28,172 |
| Investments | 2,042,031 | 2,042,031 | 1,849,065 | 1,849,065 |
| Due from related parties | 4,171 | 4,171 | 1,885 | 1,885 |
| | \$ 3,941,695 | \$ 3,941,695 | \$ 2,688,325 | \$ 2,688,325 |

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19) FINANCIAL ASSETS AND LIABILITIES (continued)

Categories of financial assets and liabilities

| | As at September 30, 2022 | | As at December 31, 2021 | |
|--|-----------------------------|------------|----------------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 109,136 | \$ 109,136 | \$ 114,198 | \$ 114,198 |
| Lease liabilities | - | - | 708 | 708 |
| Loan | 60,000 | 60,000 | 60,000 | 60,000 |
| | \$ 169,136 | \$ 169,136 | \$ 174,906 | \$ 174,906 |

The carrying value of cash and cash equivalents, accounts receivable, due from related parties, loan, accounts payable and accrued liabilities is considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. As at September 30, 2022 and December 31, 2021, the Company classified cash and cash equivalents and short-term investments as Level 1; and, accounts receivable and amounts due from/to related parties and other payables as Level 3.

The Company's long-term investments, consisting of investments in the common shares of private companies, do not have a quoted market price in an active market and the Company has assessed a fair value of the investment based on their unobservable net assets. As a result, the fair value is classified within Level 3 of the fair value hierarchy. The process of estimating the fair value of these investments is based on inherent measurement uncertainties and is based on techniques and assumptions that emphasize both qualitative and quantitative information. There is no reasonable quantitative basis to estimate the potential effect of changing the assumptions to reasonably possible alternative assumptions on the estimated fair value of these long-term investments.

20) CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives in managing capital are to safeguard its ability to continue its operations, to increase the value of the assets of the business and to provide an adequate return to owners. These objectives will be achieved by identifying the right exploration prospects, adding value to these projects and ultimately taking them through to production either with partners or by the Company's own means or sale. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares to improve its financial performance and flexibility. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. The Company monitors capital on the basis of the carrying amount of equity. Capital for reporting period under review is summarized in note 12 and in the statements of changes in equity. The Company is not subject to any externally imposed capital requirements.

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21) FINANCIAL RISKS

The Company is exposed to various financial risks in relation to its financial instruments. The main types of risks the Company is exposed to are credit risk, market risk and liquidity risk. The Company focuses on actively securing short to medium-term cash flow by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company's maximum exposure to credit risk is limited to the carrying amount of cash and cash equivalents of \$1,664,578 at September 30, 2022 (December 31, 2021 - \$809,203), accounts receivable of \$230,915 (December 31, 2021 - \$28,172) and due from related parties of \$4,171 (December 31, 2021 - \$1,885). The risk related to cash is considered negligible as the Company is dealing with a reputable financial institution whose credit rating is excellent.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to fluctuations in the market prices of its investments in private and public companies. The fair value of those instruments represents the maximum exposure to price risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has potential financing sources. The Company establishes budget and cash estimates to ensure it has the necessary funds to fulfil its obligations. Accounts payable and accrued liabilities are due within less than 90 days. The loan of \$60,000 (note 11) is expected to be paid in fiscal year 2023.

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22) ADDITIONAL CASH FLOW INFORMATION

Significant non-cash transactions included in the Statements of Cash Flows for the nine months ended September 30, 2022 and 2021 are as follows:

| | 2022 | 2021 |
|--|------|------------|
| Additions to Exploration and evaluation assets in Accounts payable and accrued liabilities | \$ - | \$ 123,924 |
| Non-cash additions to Exploration and evaluation assets | - | - |
| Tax credits deducted from exploration and evaluation assets | - | 37,124 |

23) COMPARATIVE FIGURES

Certain of the comparative figures have been restated to conform with current year's presentation. Specifically, Salaries and other employee benefits for the three and nine months ended September 30, 2021 have been presented as part of Exploration and evaluation expenses in the statements of net income (loss) and comprehensive income (loss).