



**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED  
JUNE 30, 2022 AND 2021**

(UNAUDITED – PREPARED BY MANAGEMENT)

## **ASIABASEMETALS INC.**

### **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 financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by CPA Canada for a review of interim financial statements by an entity's auditors.

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**ASIABASEMETALS INC.****CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION****AS AT JUNE 30, 2022 AND SEPTEMBER 30, 2021**(Unaudited - Expressed in Canadian Dollars)

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	<b>June 30, 2022</b>	<b>September 30, 2021</b>
	(unaudited)	(audited)
<b>ASSETS</b>		
Current		
Cash	\$ 67,974	\$ 65,548
Amounts receivable	17,078	14,262
Prepaid expenses	327	4,779
	85,379	84,589
Reclamation deposit (Note 6)	10,000	10,000
Exploration and evaluation assets (Note 5)	11,688	11,688
	\$ 107,067	\$ 106,277
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 114,593	\$ 357,668
<b>DEFICIENCY</b>		
Share capital (Note 7)	4,619,668	4,179,821
Share-based payment reserves	1,410,321	1,410,321
Accumulated deficit	(6,037,515)	(5,841,533)
	(7,526)	(251,391)
	\$ 107,067	\$ 106,277

CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (Note 1)

Approved by the Board on August 3, 2022:

"Raj Chowdhry"  
Director

"Ioannis Tsitos"  
Director

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

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**ASIABASEMETALS INC.****CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS****FOR THREE AND NINE MONTHS ENDED JUNE 30, 2022 AND 2021**

(Unaudited - Expressed in Canadian Dollars)

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	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>EXPENSES</b>				
Management fees (Note 9)	\$ 37,500	\$ 37,500	\$ 112,500	\$ 112,500
Share-based payments (Note 9)	-	15,561	-	93,035
Professional fees	11,714	10,538	49,516	46,692
Office, administration, and miscellaneous	3,407	6,012	3,179	29,843
Regulatory and transfer agent fees	7,707	428	20,918	11,523
Travel	1,415	1,504	4,380	5,500
Exploration, net	279	331	810	1,229
Foreign exchange loss (gain)	(123)	348	(123)	1,780
Interest and bank charges	107	110	348	329
Property investigation	-	-	4,453	-
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>\$ (62,007)</b>	<b>\$ (72,332)</b>	<b>\$ (195,982)</b>	<b>\$ (302,431)</b>
<b>LOSS AND PER SHARE – BASIC AND DILUTED</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.01)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>47,904,450</b>	<b>45,080,714</b>	<b>46,021,959</b>	<b>43,980,097</b>

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

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**ASIABASEMETALS INC.****CONDENSED INTERIM STATEMENTS OF CHANGES IN DEFICIENCY****FOR THE NINE MONTHS ENDED JUNE 30, 2022 AND 2021**(Unaudited – Expressed in Canadian Dollars)

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	Common Shares (Note 7)		Share-based Payment Reserves	Accumulated Deficit	Total
	Number of Common Shares	Amount			
Balances at October 1, 2020	43,224,651	\$ 3,853,054	\$ 1,309,429	\$ (5,472,737)	\$ (310,254)
Exercise of warrants	1,856,063	326,787	-	-	326,787
Share-based payments	-	-	93,035	-	93,035
Net loss and comprehensive loss	-	-	-	(302,431)	(302,431)
Balances at June 30, 2021	45,080,714	\$ 4,179,821	\$ 1,402,464	\$ (5,775,168)	\$ (192,883)
Balances at October 1, 2021	45,080,714	\$ 4,179,821	\$ 1,410,321	\$ (5,841,533)	\$ (251,391)
Issuance of units	4,015,000	441,650	-	-	441,650
Share issuance costs	-	(1,803)	-	-	(1,803)
Net loss and comprehensive loss	-	-	-	(195,982)	(195,982)
Balances at June 30, 2022	49,095,714	\$ 4,619,668	\$ 1,410,321	\$ (6,037,515)	\$ (7,526)

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

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**ASIABASEMETALS INC.****CONDENSED INTERIM STATEMENTS OF CASH FLOWS****FOR THE NINE MONTHS ENDED JUNE 30, 2022 AND 2021**(Unaudited – Expressed in Canadian Dollars)

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	<b>2022</b>	<b>2021</b>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (195,982)	\$ (302,431)
Items not involving cash		
Share-based payments	-	93,035
Change in non-cash working capital items		
Amounts receivable	(2,816)	4,819
Prepaid expenses	4,452	9,038
Accounts payable and accrued liabilities	(243,075)	(182,425)
Cash used in operating activities	(439,224)	(377,964)
FINANCING ACTIVITY		
Issuance of units, net of issuance costs	439,847	-
Warrants exercised, net of issuance costs	-	326,767
Cash provided by financial activity	441,650	326,767
CHANGE IN CASH DURING THE PERIOD	(2,426)	(51,197)
CASH, BEGINNING OF PERIOD	65,548	116,699
CASH, END OF PERIOD	\$ 67,974	\$ 65,502
Supplemental Cash Flow Information		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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

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**ASIABASEMETALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE THREE AND NINE MONTHS PERIOD ENDED JUNE 30, 2022 AND 2021**

(Unaudited - Expressed in Canadian Dollars)

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**1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS**

AsiaBaseMetals Inc. (the "Company") was incorporated on August 11, 2009 under the laws of British Columbia. The Company is an exploration company focused on the exploration and development of zinc and base metals. The address of the Company's corporate office and principal place of business is 6153 Glendalough Pl., Vancouver, British Columbia, V6N 1S5, Canada.

At June 30, 2022, the Company had not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition of the resource property. The outcome of these matters cannot be predicted at this time and these factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim financial statements.

During March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has been limited, but management continues to monitor the situation.

**2. SIGNIFICANT ACCOUNTING POLICIES****a) Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34 – *Interim Financial Reporting*. For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies applied in these condensed interim financial statements are consistent with those applied in the preparation of, and disclosed in, the Company's audited annual financial statements for the year ended September 30, 2021.

**b) Basis of presentation**

The condensed interim financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**c) Going Concern**

These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and has an accumulated deficit of \$6,037,515 at June 30, 2022. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of these condensed interim financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed interim financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates as the basis for determining the stated amounts include deferred income taxes, share-based payments, assessment of decommissioning provision and assessment of impairment of exploration and evaluation assets.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective or assessments with a significant risk of material adjustment.

**(i) Impairment**

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**(ii) Going Concern**

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 2(c).

**4. NEW ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE**

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant effect on the Company's financial statements.



**ASIABASEMETALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE THREE AND NINE MONTHS PERIOD ENDED JUNE 30, 2022 AND 2021**

(Unaudited - Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS

		June 30, 2022		September 30, 2021
Gnome Zinc	\$	11,688	\$	11,688
Total	\$	11,688	\$	11,688

**Gnome Zinc, BC**

On September 30, 2009, Tintina Resources Inc. ("Tintina") transferred its interest in the Gnome Zinc project and \$500,000 in cash to the Company as part of its reorganization. Tintina also transferred its right, title and interest in the Gnome Zinc project to purchase a 1% NSR royalty for \$2,000,000 up to the period ending on March 11, 2020. The transaction was recorded as a shareholder transfer at Tintina's carrying value of the Gnome Zinc project of \$146,748 and an increase in cash of \$500,000.

As at June 30, 2022, the Gnome Zinc Property consists of 11 mineral claims covering 5,254 hectares of land.

Expenditures for the nine months ended June 30, 2022 and September 30, 2021 are as follows:

	October 1, 2021	Acquisition Costs	Impairment	June 30, 2022
Gnome Zinc	\$ 11,688	\$ -	\$ -	\$ 11,688

	October 1, 2020	Acquisition Costs	Impairment	September 30, 2021
Gnome Zinc	\$ 11,688	\$ -	\$ -	\$ 11,688

**Paisano Gold, Peru**

On June 7, 2022, the Company entered into an option agreement with Regency Silver Corp. ("Regency Silver") (TSXV: RSMX) and its Peruvian subsidiary, to acquire a 70% interest in the Paisano Gold Project in North-Central Peru (the "Property").

The Company may earn a 70% interest in the Property by making cash payments to keep the Property in good standing of approximately US\$3 per hectare over the next three years commencing in 2023, issuing Regency Silver a total of 250,000 common shares over three years; and incurring at least \$1,000,000 in exploration expenditures on the Property by expending the sum of \$200,000 on or before May 25, 2024, and the additional sum of \$800,000 on or before May 25, 2025. The Company may elect to issue common shares instead of expending money on exploration. Such shares will be priced at the greater of \$0.17 per share or the closing price of the Company's share on the TSX Venture Exchange, or such other exchange on which the common shares are then principally traded, on the trading date immediately preceding the date on which notice of such election is delivered. In the event the Option is exercised, the parties will enter in a joint venture with their respective interests.

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**ASIABASEMETALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE THREE AND NINE MONTHS PERIOD ENDED JUNE 30, 2022 AND 2021**

(Unaudited - Expressed in Canadian Dollars)

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**6. RECLAMATION DEPOSIT**

On July 23, 2019, the Company paid \$10,000 for a reclamation bond to the Minister of Finance for the Province of British Columbia ("the Province") with respect to the exploration drilling on the Gnome Property. This amount was determined by the Province to be sufficient to meet all anticipated reclamation requirements.

**7. SHARE CAPITAL**

- a) Authorized: The Company is authorized to issue an unlimited number of common shares without par value.
- b) Issued and outstanding as at June 30, 2022: 49,095,714 (June 30, 2022 – 45,080,714) common shares.
  - i. On October 28, 2020, the Company issued 732,603 shares upon the exercise of warrants for net proceeds of \$100,280.
  - ii. On March 23, 2021, the Company issued 1,123,460 shares upon the exercise of warrants for net proceeds of \$226,487.
  - iii. On April 27, 2022, the Company closed a non-brokered private placement for gross proceeds of \$441,650 for issuing 4,015,000 units ("Units") at a price of \$0.11 per Unit (the "Private Placement") incurring share issuance costs of \$1,803. Each Unit is comprised of one common share of the Company (a "Share") and one common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to purchase an additional Share at a price of \$0.14 per Share for a period of five years

**8. STOCK OPTION PLAN, SHARE-BASED PAYMENTS AND WARRANTS**

The Company adopted a rolling stock option plan (the "Plan") to grant options to directors, senior officers, employees, independent contractors and consultants of the Company. The Plan reserves for issuance up to 10% of the issued and outstanding share capital of the Company from time to time, and provides that it is solely within the discretion of the Board or, if the Board so elects, by a committee consisting of not less than two of its members appointed by the Board, to determine who should receive options and in what amounts.

Options granted under the Plan for a term not to exceed 10 years from the date of their grant and are exercisable at a price not less than the discounted market price (which is the market price less a discount of 25% for a closing price of up to \$0.33, a discount of 20% for a closing price of \$0.34 to \$1.33, and a discount of 15% for a closing price above \$1.34, subject to a minimum of \$0.07).

The Company did not issue any stock options during the nine months period ended June 30, 2022 and 2021.

The Company uses the Black-Scholes option pricing model to estimate the fair value of stock options. The weighted average fair value of the options granted during the nine months ended June 30, 2022 was \$nil (June 30, 2021 - \$nil). For purposes of the calculations, the following weighted average assumptions were used under the Black-Scholes model:

**ASIABASEMETALS INC.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS PERIOD ENDED JUNE 30, 2022 AND 2021**

(Unaudited - Expressed in Canadian Dollars)

8. STOCK OPTION PLAN, SHARE-BASED PAYMENTS AND WARRANTS (continued)

	<b>2022</b>	<b>2021</b>
Exercise price	\$ -	\$ 0.297 - 0.397
Share price at grant date	\$ -	\$ 0.25 – 0.40
Risk free interest rate	-%	0.23 – 1.59%
Expected dividend yield	-%	-%
Expected forfeiture rate	-%	-%
Expected stock price volatility	-%	104 - 124%
Expected life of options	- years	2 years

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance at September 30, 2020	3,054,356	\$ 0.32
Issued	2,264,452	\$ 0.34
Cancelled	(226,234)	\$ 0.55
Expired	(1,350,849)	\$ 0.24
Balance at September 30, 2021	3,741,725	\$ 0.32
Forfeited	(170,025)	\$ 0.40
Expired	(2,234,200)	\$ 0.33
Balance at June 30, 2022	1,337,500	\$ 0.30

The following table summarizes stock options outstanding and exercisable at June 30, 2022:

Options Outstanding			Options Exercisable		
Exercise Price	Number of Options	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$			\$		\$
0.30	1,337,500	0.24	0.30	1,337,500	0.30

The stock options outstanding at June 30, 2022 will expire on September 24, 2022.

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance at September 30, 2020	2,328,000	\$ 0.13
Issued	2,020,450	\$ 0.25
Exercised	(1,163,032)	\$ 0.14
Balance at September 30, 2021	3,185,418	\$ 0.20
Issued	4,015,000	\$ 0.14
Exercised	(1,856,063)	\$ 0.18
Expired	(1,329,355)	\$ 0.24
Balance at June 30, 2022	4,015,000	\$ 0.14

The warrants outstanding as at June 30 are as follows:

Outstanding	Exercise price	Expiry date
4,015,000	\$ 0.14	April 27, 2022

The average remaining life of the warrants is 4.83 years.

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**ASIABASEMETALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE THREE AND NINE MONTHS PERIOD ENDED JUNE 30, 2022 AND 2021**

(Unaudited - Expressed in Canadian Dollars)

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**9. RELATED PARTY BALANCES AND TRANSACTIONS**

During the nine months period ended June 30, 2022 and 2021, the following amounts were incurred or paid to officers and directors and/or their related companies:

- i) The Company incurred \$112,500 (2021 - \$112,500) for management fees to a company controlled by the Chief Executive Officer ("CEO").

As at June 30, 2022 and 2021, the following balances were due to officers and directors and/or related companies:

- i) Included in accounts payable and accrued liabilities is \$21,577 (2021 - \$239,375) due to a company controlled by the CEO of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.
- ii) Included in accounts payable and accrued liabilities is \$19,929 (2021 - \$9,792) due to the CEO of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

On April 1, 2015 the Company entered into an agreement with a company controlled by a director to provide CEO services at a rate of \$12,500 per month (\$150,000 per year) for an indefinite term. The agreement can be terminated without cause by the Company with a fourteen (14) month cash payment in the amount of \$175,000.

**Key management personnel compensation:**

Key management personnel include the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and directors of the Company. The remuneration of directors and officers of the Company is as follows:

	<b>Nine months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Management fees	\$ 112,500	\$ 112,500
Share based payments	-	62,963
<b>Total remuneration</b>	<b>\$ 112,500</b>	<b>\$ 175,193</b>

Key management personnel receive compensation in the form of short-term employee benefits, share-based payments, separation payment, and post-employment benefits. Short-term benefits include management fees paid to the CEO and the CFO of the Company for their services in their roles.

**10. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject to.

The Company considers the aggregate of its equity as capital. As at June 30, 2022, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations.

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**ASIABASEMETALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE THREE AND NINE MONTHS PERIOD ENDED JUNE 30, 2022 AND 2021**

(Unaudited - Expressed in Canadian Dollars)

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**11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating year.

*Financial Instruments and Fair Value Measurements*

IFRS 13 – *Fair Value Measurement*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at June 30, 2022 as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Financial assets</b>				
Cash	\$ 67,974	\$ –	\$ –	\$ 67,974

*Financial Risk***(i) Credit Risk**

Credit risk arises from non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is primarily attributable to its cash. The Company limits its exposure to credit loss for cash by placing such instruments with financial institutions.

As at June 30, 2022, the Company's maximum exposure to credit risk is the carrying value of cash of \$67,974.

**(ii) Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at June 30, 2022, the Company had working capital deficit of \$29,214. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

**(iii) Interest Rate Risk**

In management's opinion, the Company's interest rate risk is minimal as the Company does not have any bank indebtedness that bear interest at fixed or variable rates.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(iv) Foreign Currency Risk

The Company is exposed to currency fluctuations in the acquisition of foreign currencies. The Company holds insignificant balance in cash in foreign currencies (US dollars) and is therefore not exposed to significant gains or losses on foreign exchange. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar would have an insignificant effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

As at June 30, 2022 and 2021, a change of 10% +/- in US dollar would not result in a significant impact to the statements of loss and comprehensive loss.

(v) Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities.