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**LABRADOR GOLD CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**THREE AND SIX MONTHS ENDED**  
**MARCH 31, 2023**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**Notice To Reader**

The accompanying unaudited condensed interim financial statements of Labrador Gold Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

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**Labrador Gold Corp.**

Condensed Interim Statements of Financial Position  
(Expressed in Canadian Dollars)  
(Unaudited)

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	As at March 31, 2023	As at September 30, 2022
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 15,679,213	\$ 21,354,986
Amounts receivable	367,163	559,637
Prepaid expenses	153,643	85,818
<b>Total current assets</b>	<b>16,200,019</b>	<b>22,000,441</b>
<b>Non-current assets</b>		
Equipment	20,838	28,803
Unproven mineral right interests (note 4)	33,934,347	28,814,469
<b>Total assets</b>	<b>\$ 50,155,204</b>	<b>\$ 50,843,713</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 7)	\$ 488,270	\$ 926,799
	<b>488,270</b>	<b>926,799</b>
<b>Non-current</b>		
Deferred income tax liability	983,566	983,566
<b>Total liabilities</b>	<b>1,471,836</b>	<b>1,910,365</b>
<b>Shareholders' equity</b>		
Share capital (note 6)	61,472,277	61,149,278
Share-based payments reserve (note 6)	4,260,100	4,419,099
Deficit	(17,049,009)	(16,635,029)
<b>Total shareholders' equity</b>	<b>48,683,368</b>	<b>48,933,348</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 50,155,204</b>	<b>\$ 50,843,713</b>

*The accompanying notes are an integral part of these unaudited condensed interim financial statements*

Nature of operations and going concern (note 1)

Subsequent event (note 8)

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**Labrador Gold Corp.****Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

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	<b>Three Months Ended March 31, 2023</b>	<b>Three Months Ended March 31, 2022</b>	<b>Six Months Ended March 31, 2023</b>	<b>Six Months Ended March 31, 2022</b>
<b>Operating expenses</b>				
Consulting and management fees (note 7)	\$ 88,045	\$ 83,045	\$ 131,905	\$ 101,265
Corporate development	67,676	48,488	152,660	88,337
Exploration and evaluation expenditures (note 4)	-	170,000	-	170,000
Office and miscellaneous	38,408	15,463	53,941	31,538
Professional fees (note 7)	30,727	34,873	67,073	58,686
Regulatory and transfer fees	29,479	41,352	54,210	55,966
Shareholder communications	22,445	9,507	41,578	17,663
Amortization expense	3,982	2,659	7,965	3,729
<b>Loss before other items</b>	<b>(280,762)</b>	<b>(405,387)</b>	<b>(509,332)</b>	<b>(527,184)</b>
<b>Other items</b>				
Flow-through premium (note 6)	-	83,706	-	828,338
Other income	36,086	4,439	95,352	8,691
<b>Net income (loss) and comprehensive income (loss) for the period</b>	<b>\$ (244,676)</b>	<b>\$ (317,242)</b>	<b>\$ (413,980)</b>	<b>\$ 309,845</b>
<b>Basic and diluted net income (loss) per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ 0.00</b>
<b>Weighted average number of common shares outstanding</b>	<b>170,009,979</b>	<b>154,054,934</b>	<b>169,677,671</b>	<b>153,998,667</b>

*The accompanying notes are an integral part of these unaudited condensed interim financial statements*

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**Labrador Gold Corp.****Condensed Interim Statements of Cash Flows****(Expressed in Canadian Dollars)****(Unaudited)**

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	<b>Six Months Ended March 31, 2023</b>	<b>Six Months Ended March 31, 2022</b>
<b>Operating activities</b>		
Net income (loss) for the period	\$ (413,980)	\$ 309,845
Adjustments for:		
Flow-through premium	-	(828,338)
Amortization	7,965	3,729
Changes in non-cash working capital items:		
Amounts receivable	192,474	(21,038)
Prepaid expenses	(67,825)	(17,539)
Accounts payable and accrued liabilities	57,988	308,887
<b>Net cash used in operating activities</b>	<b>(223,378)</b>	<b>(244,454)</b>
<b>Investing activities</b>		
Unproven mineral right interest - acquisition	(6,540)	(178,460)
Unproven mineral right interest - exploration	(5,609,855)	(5,949,623)
Purchase of equipment	-	(22,179)
<b>Net cash used in investing activities</b>	<b>(5,616,395)</b>	<b>(6,150,262)</b>
<b>Financing activities</b>		
Exercise of options	164,000	191,077
Exercise of warrants	-	396,000
<b>Net cash provided by financing activities</b>	<b>164,000</b>	<b>587,077</b>
<b>Net change in cash</b>	<b>(5,675,773)</b>	<b>(5,807,639)</b>
<b>Cash, beginning of period</b>	<b>21,354,986</b>	<b>33,245,743</b>
<b>Cash, end of period</b>	<b>\$ 15,679,213</b>	<b>\$ 27,438,104</b>
<b>Supplemental Information</b>		
Unproven mineral right interest included in accounts payable	\$ 295,881	\$ -
Acquisition of unproven mineral interests	\$ -	\$ 240,000

*The accompanying notes are an integral part of these unaudited condensed interim financial statements*

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**Labrador Gold Corp.****Condensed Interim Statements of Changes in Equity****(Expressed in Canadian Dollars)****(Unaudited)**

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	Share Capital		Share-based		
	Number	Amount	payments	Deficit	Total
			reserve		
<b>Balance, September 30, 2021</b>	<b>153,311,033</b>	<b>\$ 55,513,015</b>	<b>\$ 4,713,305</b>	<b>\$ (15,450,225)</b>	<b>\$ 44,776,095</b>
Options exercised	423,077	366,798	(175,721)	-	191,077
Warrants exercised	1,320,000	396,000	-	-	396,000
Acquisition of unproven mineral interests	300,000	240,000	-	-	240,000
Net income for the period	-	-	-	309,845	309,845
<b>Balance, March 31, 2022</b>	<b>155,354,110</b>	<b>\$ 56,515,813</b>	<b>\$ 4,537,584</b>	<b>\$ (15,140,380)</b>	<b>\$ 45,913,017</b>
<b>Balance, September 30, 2022</b>	<b>169,189,979</b>	<b>\$ 61,149,278</b>	<b>\$ 4,419,099</b>	<b>\$ (16,635,029)</b>	<b>\$ 48,933,348</b>
Options exercised	820,000	322,999	(158,999)	-	164,000
Net income for the period	-	-	-	(413,980)	(413,980)
<b>Balance, March 31, 2023</b>	<b>170,009,979</b>	<b>\$ 61,472,277</b>	<b>\$ 4,260,100</b>	<b>\$ (17,049,009)</b>	<b>\$ 48,683,368</b>

*The accompanying notes are an integral part of these unaudited condensed interim financial statements*

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# Labrador Gold Corp.

Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

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## 1. Nature of business and going concern

Labrador Gold Corp. ("Labrador Gold" or the "Company") is a company involved in the acquisition and exploration of prospective gold projects in the Americas. It was incorporated under the Business Corporations Act (British Columbia) in 1987. Effective July 1, 2021, the Company filed Articles of Continuance to continue into Ontario and is now subject to the provisions of the Business Corporations Act (Ontario). The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "LAB" and the OTCQX Exchange in the United States under the symbol "NKOSF". Its principal office is located at 82 Richmond Street East, Toronto, ON, Canada M5C 1P1.

The Company is focused on conducting gold exploration in Eastern Canada. At the date of these financial statements, the Company has not yet determined whether any of its mineral interests contain economic mineral reserves. Accordingly, the carrying amount of its mineral right interests represents the cumulative acquisition costs and exploration expenditures incurred to date, which does not necessarily reflect present or future values. The recovery of these costs is dependent on the discovery of economically recoverable mineral reserves and the ability of the Company to obtain the necessary financing to undertake continuing exploration and development, and to resolve any environmental, regulatory or other constraints.

These financial statements have been prepared on a going concern basis, which assume that the Company will be able to continue in operation for a reasonable period of time and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company is a mineral exploration company with a history of recurring losses and without a source of revenue. At March 31, 2023, the Company had no source of operating cash flow. Operations in recent years have been funded from the issuance of share capital and cash on hand.

Given its current stage of operations, the Company's ability to continue as a going concern is contingent on its ability to obtain additional financing. In the event the Company is unable to raise adequate financing or meet its current obligations, the carrying value of the Company's unproven mineral right interests could be subject to adjustments. At March 31, 2023, the Company believes it has sufficient funds to finance its operations for the current fiscal year.

## 2. Basis of Preparation

### Statement of compliance

These unaudited condensed interim financial statements 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 interim financial statements do not include all the information required for a complete set of IFRS statements. However, selected notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended September 30, 2022.

These unaudited condensed interim financial statements were authorized for issue by the board of directors of the Company on May 17, 2023.

## 3. Significant accounting policies

These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, the interim financial statements should be read in conjunction with the Company's most recent annual financial statements.

# Labrador Gold Corp.

Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2023  
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(Unaudited)

## 4. Unproven mineral right interests

	Labrador Property	Borden Lake Property	Kingsway Property	Scotch Property	Total
Balance, September 30, 2021	\$ 3,974,889	\$ 930,135	\$ 7,702,844	\$ 9,570	\$ 12,617,438
Acquisition	161,425	-	3,204,260	28,460	3,394,145
Deferred exploration	272,168	-	12,138,173	563,377	12,973,718
Recoveries	-	-	(57,772)	(8,060)	(65,832)
Impairment	-	(105,000)	-	-	(105,000)
Balance, September 30, 2022	4,408,482	825,135	22,987,505	593,347	28,814,469
Acquisition	-	-	-	6,540	6,540
Deferred exploration	234,303	-	4,836,964	42,071	5,113,338
Balance, March 31, 2023	\$ 4,642,785	\$ 825,135	\$ 27,824,469	\$ 641,958	\$ 33,934,347

Ownership in mineral right interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the ambiguous conveyance history of many mineral right interests. The Company has investigated ownership of its mineral right interests and, to the best of its knowledge, ownership of its interests are in good standing.

### Labrador Property

On September 5, 2017, the Company entered into a Letter of Intent ("LOI") that granted the Company the option to earn a 100% interest in the Ashuanipi, Nain and Hopedale properties, located in Labrador (the "Labrador Properties"). To exercise the option, the terms of which were amended on December 7, 2020, the Company must complete the following:

- On receipt of TSX-V approval: payment of \$75,000 and issuance of 450,000 shares in respect of each of the three Labrador Properties (completed);
- On or before September 5, 2018: payment of \$100,000 and issuance of 300,000 shares in respect of each property (completed with the payment of \$200,000 and issuance of 600,000 shares on the Ashuanipi and Hopedale properties, as the Company dropped its option on the Nain property);
- On or before September 5, 2019: payment of \$75,000 and issuance of 175,000 shares in respect of the Ashuanipi property and payment of \$150,000 and issuance of 350,000 shares in respect of the Hopedale property (completed);
- On or before September 5, 2020: payment of \$50,000 and issuance of 400,000 shares in respect of each of the Ashuanipi and Hopedale properties (completed);
- On or before September 5, 2021: payment of \$100,000 and issuance of 675,000 shares in respect of the Ashuanipi property and payment of \$100,000 and issuance of 500,000 shares in respect of the Hopedale property (completed with the payment of \$100,000 and issuance of 500,000 shares on the Hopedale property, as the Company dropped its option on the Ashuanipi property);
- On or before September 5, 2022: payment of \$150,000 in respect of the Hopedale properties (completed); and
- On or before September 5, 2023: payment of \$125,000 in respect of the Hopedale property.

The vendors of the Labrador Properties retain a 2% net smelter return ("NSR") royalty, half of which may be bought back by the Company at any time for \$2 million plus \$1 per ounce of gold in measured and indicated resources. An advance royalty of \$25,000 per annum for each property will be payable starting in 2024.

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## Labrador Gold Corp.

Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

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### 4. Unproven mineral right interests (continued)

#### Labrador Property (continued)

In connection with the termination of the options to acquire the Nain and Ashuanipi properties, the Company impaired \$714,750 of acquisition costs and \$1,901,298 of exploration expenditures during the year ended September 30, 2021.

During the three and six months ended March 31, 2022, the Company paid \$170,000 to the owner of the Ashuanipi property in lieu of expenditures required to maintain the property in good standing. This amount was directly expensed as exploration and evaluation expenditures in the statement of loss and comprehensive loss.

#### Borden Lake Property

The Company has a 100% undivided interest in the Borden Lake Property located near Chapleau, Ontario.

During the years ended September 30, 2022 and 2021, the Company allowed to lapse certain claims making up this property. In connection with the lapse of those claims, the Company wrote off \$105,000, being the historical capitalized maintenance fees associated with the claims that were allowed to lapse.

The original vendors of the Borden Lake Property retain a 2% NSR royalty, half of which may be bought back by the Company for \$1 million at any time.

#### Kingsway Property

On March 3, 2020, the Company acquired an option to earn a 100% interest in the Gander North and Gander South properties, subsequently renamed as the Kingsway Property, located in Newfoundland.

During the year ended September 30, 2022, the Company exercised the option and earned a 100% interest in the properties by completing the following:

- Make cash payments totalling \$1,250,000 and issuing a total of 2,000,000 common shares (completed);
- Incur \$750,000 in expenditures on each of two licenses (\$1.5 million total) over the first four years of the option (completed); and
- Complete additional payments totaling \$2.25 million based on exploration expenditures incurred, as follows:
  - \$750,000 upon incurring an aggregate of \$10 million in expenditures on one of the licenses (completed);
  - \$750,000 upon incurring an aggregate of \$20 million in expenditures on one of the licenses; and
  - \$750,000 upon incurring an aggregate of \$30 million in expenditures on one of the licenses

The vendor of the Kingsway Property retained a 1% NSR royalty plus \$1 per ounce of gold in the measured and indicated resources for the property. An advance royalty of \$50,000 per annum will be payable commencing on March 3, 2026.

On July 6, 2020, the Company entered into an additional option agreement to acquire a 100% interest in License 023940M (the "License") which is strategically positioned between the Gander North and South claim blocks.

During the year ended September 30, 2022, the Company completed the option and earned a 100% undivided interest in the License by making cash payments totaling \$459,000, issuing a total of 390,000 common shares, and incurring a total of \$2 million in property work expenditures.

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# Labrador Gold Corp.

## Notes to Condensed Interim Financial Statements For the Three and Six Months Ended March 31, 2023 (Expressed in Canadian Dollars) (Unaudited)

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### 4. Unproven mineral right interests (continued)

#### Scotch Property

In March 2021, the Company acquired a 100% undivided interest in the Scotch Property. The Scotch Property is located southwest of Moncton, New Brunswick and consists of 24 claims.

### 5. Liability and income tax effect on flow-through shares

Funds raised through the issuance of flow-through shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

During the year ended September 30, 2021, the Company issued an aggregate of 21,500,000 flow-through units for gross proceeds of \$13,850,000, and recognized total deferred flow-through premium liabilities of \$2,675,000. As at March 31, 2023, the Company had incurred the required qualifying flow-through expenditures and had reduced the deferred flow-through premium liability to \$nil (March 31, 2022 - \$nil).

During the three and six months ended March 31, 2023, the Company recognized a flow-through recovery of \$nil (three and six months ended March 31, 2022 - \$83,706 and \$828,338, respectively).

### 6. Equity

#### (a) Authorized

An unlimited number of common shares without par value

#### (b) Issued and outstanding

	Number of common shares	Amount
Balance, September 30, 2021	153,311,033	\$ 55,513,015
Options exercised (i)	423,077	366,798
Warrants exercised (ii)	1,320,000	396,000
Acquisition of unproven mineral right interests (note 4)	300,000	240,000
Balance, March 31, 2022	155,354,110	56,515,813
Options exercised	366,666	113,586
Warrants exercised	11,750,953	3,525,286
Broker units exercised	398,250	136,593
Acquisition of unproven mineral right interests (note 4)	1,320,000	858,000
Balance, September 30, 2022	169,189,979	61,149,278
Exercise of options (i)	820,000	322,999
Balance, March 31, 2023	170,009,979	\$ 61,472,277

# Labrador Gold Corp.

## Notes to Condensed Interim Financial Statements For the Three and Six Months Ended March 31, 2023 (Expressed in Canadian Dollars) (Unaudited)

### 6. Equity (continued)

#### (b) Issued and outstanding (continued)

(i) During the six months ended March 31, 2023, the Company received proceeds of \$164,000 from the exercise of 820,000 share purchase options (2022 - proceeds of \$191,077 from the exercise of 423,077 share purchase options). The fair value of \$158,999 (2022 - \$175,721) attributable to these options was transferred from share-based payments reserve to share capital upon exercise.

(ii) No warrants were exercised during the six months ended March 31, 2023. During the six months ended March 31, 2022, the Company received proceeds of \$396,000 from the exercise of 1,320,000 warrants.

#### (c) Share-based payment reserve

Share-based payments reserve consists of the accumulated fair value of common share options, share purchase warrants and broker units recognized as share-based payments, net of the fair values of common share options, share purchase warrants and broker units transferred to share capital upon exercise.

#### (d) Share purchase options

The following table reflects the continuity of stock options for the periods ended March 31, 2023 and 2022:

	Number of stock options	Weighted average exercise price
Balance, September 30, 2021	7,359,744	\$ 0.42
Exercised	(423,077)	0.45
Balance, March 31, 2022	6,936,667	0.42
Exercised	(366,666)	0.17
Cancelled	(450,001)	0.51
Balance, September 30, 2022	6,120,000	0.36
Exercised	(820,000)	0.20
Expired	(500,000)	0.20
Balance, March 31, 2023	4,800,000	\$ 0.41

The following table reflects the share purchase options issued and outstanding as of March 31, 2023:

Expiry Date	Exercise price (\$)	Remaining contractual life (years)	Number of options outstanding	Vested and exercisable
May 15, 2024	0.25	1.13	1,300,000	1,300,000
September 9, 2024	0.25	1.45	100,000	100,000
July 27, 2025	0.45	2.33	3,150,000	3,150,000
June 4, 2023 (i)	0.72	0.18	250,000	250,000
	0.41	1.87	4,800,000	4,800,000

(i) On April 8, 2022, the Company re-priced 500,000 non-executive employee stock options, originally exercisable at \$1.24 per share, to \$0.72 per share.

## Labrador Gold Corp.

Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2023  
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(Unaudited)

### 6. Equity (continued)

#### (e) Share purchase warrants

The following table reflects the continuity of warrants for the periods ended March 31, 2023 and 2022:

	Number of warrants	Weighted average exercise price
Balance, September 30, 2021	41,088,870	\$ 0.58
Exercised	(1,320,000)	0.30
Balance, March 31, 2022	39,768,870	0.59
Exercised	(12,149,203)	0.30
Expired	(4,786,334)	0.30
Balance, September 30, 2022	22,833,333	0.81
Expired	(7,500,000)	0.60
Balance, March 31, 2023	15,333,333	\$ 0.91

The following table reflects the share purchase warrants issued and outstanding as of March 31, 2023:

Expiry Date	Exercise price (\$)	Number of warrants outstanding
April 16, 2023 (i)	0.75	7,000,000
May 15, 2023 (i)	1.05	8,333,333
	0.91	15,333,333

(i) Subsequent to March 31, 2023, 15,333,333 warrants expired unexercised.

### 7. Related party transactions

Related parties include the Company's officers, Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Six Months Ended March 31, 2023	Six Months Ended March 31, 2022
Management fees	\$ 18,240	\$ 66,080	\$ 48,600	\$ 85,640
Directors' fees	13,500	-	27,000	-
Geological consulting fees	23,760	25,920	35,400	48,360
Professional fees	14,994	18,785	32,072	25,955
	\$ 70,494	\$ 110,785	\$ 143,072	\$ 159,955

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# Labrador Gold Corp.

Notes to Condensed Interim Financial Statements  
For the Three and Six Months Ended March 31, 2023  
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## 7. Related party transactions (continued)

During the three and six months ended March 31, 2023, the Company incurred management fees of \$18,240 and \$48,600, respectively (three and six months ended March 31, 2022 - \$66,080 and \$85,640, respectively) and geological consulting fees of \$23,760 and \$35,400, respectively (three and six months ended March 31, 2022 - \$25,920 and \$48,360, respectively) for services provided by a company controlled by the Company's CEO. As at March 31, 2023, \$54,080 (September 30, 2022 - \$3,161) was due to the CEO, and is included in accounts payable and accrued liabilities with respect to the fees. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

Management fees were paid pursuant to a consulting agreement under which Moss Exploration Services Ltd. would receive a monthly fee of \$14,000 effective October 1, 2021. The Company can terminate the agreement with three months' notice, or payment of the fees during the termination period in lieu of notice.

During three and six months ended March 31, 2023, the Company incurred directors' fees of \$13,500 and \$27,000, respectively (three and six months ended March 31, 2022 - and \$nil, respectively) to its independent directors.

For the three and six months ended March 31, 2023, the Company incurred \$14,994 and \$32,072, respectively, in professional fees (three and six months ended March 31, 2022 - \$18,785 and \$25,955, respectively) to Marrelli Support Services Inc. ("Marrelli") for an employee of Marrelli to act as the CFO of the Company. As at March 31, 2023, \$2,601 (September 30, 2022 - \$2,618) was due to Marrelli, and is included in accounts payable and accrued liabilities with respect to the fees. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

## 8. Subsequent events

On April 3, 2023, the Company granted officers, directors, consultants and employees an aggregate of 3,100,000 stock options exercisable until April 3, 2028 at \$0.23 per share. The options vest 20% each on grant date and every 6 month thereafter.

Subsequent to March 31, 2023, 15,333,333 warrants expired unexercised.