PACIFIC RIDGE
exploration ltd.

(An Exploration-Stage Company)

Condensed Consolidated Interim Financial Statements

September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

Pacific Ridge exploration ltd.

NOTICE TO READER

THE ISSUER'S AUDITORS HAVE NOT REVIEWED OR BEEN INVOLVED IN THE PREPARATION OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Pacific Ridge Exploration Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

PACIFIC RIDGE exploration ltd.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - expressed in Canadian dollars)

	Note	**(Unaudited) September 30, 2022**	(Audited) December 31, 2021
Assets		**$**	$
Current			
Cash		**2,020,628**	549,391
Other receivables		**233,510**	31,012
Marketable securities	3	**49,533**	54,000
Prepaid		**781,446**	83,792
		3,085,117	718,195
Equipment and furniture	4	**9,760**	11,347
Resource Properties	5	**1,006,836**	558,068
Reclamation bonds		**64,642**	21,000
Right-of-use asset	11	**-**	27,652
		4,166,355	1,336,262
Liabilities			
Current			
Trade payable and accrued liabilities		**79,866**	222,795
Financial liability	5(c)(ii)	**389,231**	-
Lease liability - current portion	11	**-**	29,252
		469,097	252,047
Shareholders' equity			
Share capital	5(c)(ii), 6	**54,142,983**	46,291,957
Contributed surplus	6 (b & c)	**4,814,935**	3,661,025
Accumulated other comprehensive loss	3	**(7,800)**	1,000
Deficit		**(55,252,860)**	(48,869,767)
		3,697,258	1,084,215
		4,166,355	1,336,262
Subsequent events	13		

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

Approved and authorized for issue on behalf of the Board of Directors on November 18, 2022

/s/ "Blaine Monaghan"
Director

/s/ "Bruce Youngman"
Director

Condensed Consolidated Interim
Statements of Loss and Comprehensive Loss
(Unaudited - expressed in Canadian dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2022	2021	**2022**	2021
Administration expenses		**$**	$	**$**	$
Amortization of right-of-use asset	11	**6,913**	10,369	**27,652**	27,903
Depreciation	4	**1,278**	869	**3,532**	1,813
Finance lease interest	11	**94**	1,164	**1,108**	3,737
Insurance		**-**	-	**26,559**	20,160
Professional and consulting		**7,773**	35,124	**20,684**	94,737
Management and administrative	8	**89,647**	74,216	**264,940**	207,580
Office operations and facilities		**24,310**	13,459	**98,420**	30,466
Shareholder communications		**160,952**	99,144	**407,687**	225,497
Share-based payments	6(c)	**15,583**	165,610	**791,402**	220,887
Transfer agent and regulatory fees		**15,750**	23,366	**51,934**	49,639
		322,300	423,321	**1,693,918**	882,419
Exploration-related expenses (income)					
Exploration and evaluation costs	5	**4,451,027**	1,071,490	**5,110,133**	1,306,044
Mining tax credit	7	**(267,372)**	(80,801)	**(267,372)**	(157,070)
Property option payments	5(b)(i)	**(50,000)**	-	**(125,000)**	(75,000)
		4,133,655	990,689	**4,717,761**	1,073,974
Other expenses (income)					
Interest received		**(22,387)**	(1,174)	**(31,229)**	(3,066)
Foreign exchange (gain) loss		**400**	1,103	**2,643**	3,151
		(21,987)	(71)	**(28,586)**	85
Net loss		**(4,433,968)**	**(1,413,939)**	**(6,383,093)**	(1,956,478)
Other comprehensive income (loss):					
Net change in fair value of marketable securities	3	**(800)**	(2,400)	**(8,800)**	10,300
Total comprehensive loss		**(4,434,768)**	(1,416,339)	**(6,391,893)**	(1,946,178)
Loss per share (basic and diluted)		(0.05)	(0.03)	**(0.09)**	(0.04)
Weighted average number of shares outstanding basic and diluted		**81,412,056**	53,815,319	**70,784,938**	45,781,886

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

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited - expressed in Canadian dollars)

	Note	Share capital Amount	Share capital Value		Contributed surplus	Other comprehensive income (loss)	Deficit	Total
		#	$		$	$	$	$
Balance, December 31, 2020		34,849,008	43,784,464		3,367,186	(10,300)	(46,066,025)	1,075,325
Flow-through units issued for cash		8,000,000	1,136,000	-	-	-	-	1,136,000
Flow-through premium	6(a)	-	(296,000)	-	82,145	-	-	(213,855)
Non flow-through units issued for cash	6(a)	10,000,000	1,500,000	-	-	-	-	1,500,000
Shares issued for property	6(a)	100,000	31,000	-	-	-	-	31,000
Shares issued for services		100,000	22,000	-	-	-	-	22,000
Share issuance costs		-	(39,628)	-	-	-	-	(39,628)
Shares issued on exercise of warrants	6(a)	662,833	82,718	-	(3,178)	-	-	79,540
Shares issued on exercise of options		140,000	20,600	-	(9,400)	-	-	11,200
Share-based payments	6(c)	-	-	-	220,887	-	-	220,887
Unrealized loss in marketable securities	3	-	-	-	-	10,300	-	10,300
Net loss for the period		-	-	-	-	-	(1,956,478)	(1,956,478)
Balance, September 30, 2021		53,851,841	46,241,154		3,657,640	-	(48,022,503)	1,876,291
Shares issued for property	5(c)(ii)	100,000	21,000	-	-	-	-	21,000
Share issuance costs	6(a)(b)	-	(2,453)	-	-	-	-	(2,453)
Shares issued on exercise of warrants	6(a)(c)	87,667	11,412	-	(892)	-	-	10,520
Shares issued on exercise of options	6(a)	50,000	20,844	-	(8,344)	-	-	12,500
Share-based payments	6(c)	-	-	-	12,621	-	-	12,621
Unrealized loss in marketable securities	3	-	-	-	-	1,000	-	1,000
Net loss for the year		-	-	-	-	-	(847,264)	(847,264)
Balance, December 31, 2021		54,089,508	46,291,957		3,661,025	1,000	(48,869,767)	1,084,215
Flow-through units issued for cash	6(a)	19,150,000	6,281,200		-	-	-	6,281,200
Non-flow-trough units issued for cash	6(a)	8,391,304	1,930,000		-	-	-	1,930,000
Shares issued for properties	5(a)(ii), 6(a)	1,000,000	328,750		-	-	-	328,750
Shares issued on exercise of warrants	6(a)(b)	1,354,500	242,755		(3,215)	-	-	239,540
Shares issued on exercise of options	6(a)(c)	690,000	118,466		(50,566)	-	-	67,900
Share issuance costs	6(a)	-	(1,050,145)		416,289	-	-	(633,856)
Share-based payments	6(c)	-	-		791,402	-	-	791,402
Unrealized loss in marketable securities	3	-	-		-	(8,800)	-	(8,800)
Net loss for the period		-	-		-	-	(6,383,093)	(6,383,093)
Balance, September 30, 2022		**84,675,312**	**54,142,983**		**4,814,935**	**(7,800)**	**(55,252,860)**	**3,697,258**

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

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian dollars)

	Nine months ended September 30	
	2022	2021
	$	$
Operating activities		
Loss for the period	**(6,383,093)**	(1,956,478)
Items not affecting cash:		
Right-of-use asset amortization	**27,652**	27,903
Depreciation of plant and equipment	**3,532**	1,813
Finance lease interest	**1,108**	3,737
Marketable securities received for property	**(4,333)**	-
Share-based payments	**791,402**	220,887
Shares issued for services	**-**	22,000
Unrealized foreign exchange	**2,964**	2,187
Property option recovery	**(125,000)**	(75,000)
Interest received	**(31,229)**	(3,066)
	(5,716,997)	(1,756,017)
Changes in non-cash working capital items:		
Other receivables	**(202,498)**	(35,503)
Prepaid	**(697,654)**	(873,870)
Trade payable and accrued liabilities	**(149,206)**	(1,831)
Cash used in operating activities	**(6,766,355)**	(2,667,221)
Investing activities		
Resource property acquisition costs	**(120,018)**	(11,340)
Acquisition of plant and equipment	**(1,945)**	(8,778)
Proceeds from property option payments	**125,000**	75,000
Interest received	**31,229**	3,066
Reclamation bonds	**(43,642)**	12,500
Cash (used in) provided by investing activities	**(9,376)**	70,448
Financing activities		
Proceeds from flow-through private placement	**6,281,200**	1,136,000
Proceeds from non flow-through private placement	**1,930,000**	1,500,000
Proceeds from warrant exercises	**239,540**	79,540
Proceeds from exercise of stock options	**67,900**	11,200
Share issue costs	**(627,579)**	(39,628)
Advances received for exploration	**2,000,000**	-
Amount expensed from advances received	**(1,610,769)**	-
Finance lease -principal payments	**(29,252)**	(26,968)
Finance lease -interest payments	**(1,108)**	(3,737)
Cash provided by financing activities	**8,249,932**	2,656,407
Effect of foreign exchange translation on cash	**(2,964)**	(2,187)
Increase in cash	**1,471,237**	57,447
Cash, beginning of the period	**549,391**	628,720
Cash, end of the period	**2,020,628**	686,167
Supplementary cash flow information:		
Non-cash investing activities:		
Shares issued for resource properties	**(328,750)**	(31,000)
Non-cash financing activities:		
Flow-through premium liability	**-**	(213,855)
Share issuance costs incurred through trade payables and accrued liabilities	**(6,277)**	-

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

1. Nature of operations

Pacific Ridge Exploration Ltd. and its wholly owned subsidiary Pacific Ridge Exploration (US) Inc. (the "Company" or "Pacific Ridge") are in the business of acquiring and exploring resource properties in Canada and the United States. Pacific Ridge is incorporated and domiciled in Canada under the *Business Corporations Act* (British Columbia). The address of its registered office is 1710 – 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3.

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary capital to finance operations including contributions from future joint venture partners. The carrying value of the Company's mineral properties does not reflect current or future value.

These consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As of September 30, 2022, the Company had a working capital (current assets less current liabilities) of $2,616,020 (December 31, 2021 - $466,148). With this level of working capital, the Company believes that it can sustain its operations and maintain its minimum obligations for the next year.

COVID-19 Pandemic:

The COVID-19 pandemic had an initial negative impact on global financial markets, followed by a recovery, but significant volatility could still be expected. The economic viability of the Company's business plan could be impacted by its ability to obtain financing, and global economic conditions impact the general availability of financing through public and private debt and equity markets, as well as through other avenues.

In addition, as the health and safety of the Company's employees, contractors, visitors, and stakeholders are the Company's top priority, the Company keeps monitoring developments with respect to COVID-19, both globally and within its operating jurisdictions, and will implement any such changes to its business as may be deemed appropriate to mitigate any potential impacts to its business and the stakeholders. Such changes, may include, but are not limited to, temporary closures of the Company's site exploration activities or offices, and deviations from the timing and nature of exploration plans.

During the nine months ended September 30, 2022, the COVID-19 pandemic did not affect to the Company's operations.

(Unaudited - expressed in Canadian dollars)

2. Basis of preparation and summary of significant accounting policies

(a) Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). These condensed consolidated interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2021.

The condensed consolidated interim financial statements were approved by the Board of Directors on November 18, 2022.

(b) Critical accounting estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2021.

3. Marketable securities

The Company owns a portfolio of marketable securities which have been received as part of option payments on properties owned or on option by the Company.

During the nine months ended September 30, 2022, the Company received 33,334 common shares of Arctic Fox Ventures as part of a renegotiation of its agreement related to the Spius property (note 5(d)(i).

The fair value of the shares and warrants of third parties owned by the Company is as follows:

	Four Nines Gold		Trifecta Gold Ltd.		Arctic Fox Ventures		Total
	Common shares		Common shares		Common shares		
	Number	Fair value	Number	Fair value	Number	Fair value	Fair value
	#	$	#	$	#	$	$
Balance, December 31, 2020	60,000	26,700	200,000	16,000	-	-	42,700
Gain (loss) in fair value of securities	-	9,300	-	1,000	-	-	10,300
Balance, September 30, 2021	60,000	36,000	200,000	17,000	-	-	53,000
Gain (loss) in fair value of securities	-	-	-	1,000	-	-	1,000
Balance, December 31, 2021	60,000	36,000	200,000	18,000	-	-	54,000
Acquired					33,334	4,333	4,333
Gain (loss)in fair value of securities	-	1,200	-	(10,000)		-	(8,800)
Balance, September 30, 2022	**60,000**	**37,200**	**200,000**	**8,000**	**33,334**	**4,333**	**49,533**

(Unaudited - expressed in Canadian dollars)

4. Equipment

The Company has the following assets classified as computing equipment, furniture and field equipment:

	Computing equipment	Furniture	Field equipment	TOTAL
	$	$	$	$
Balance, December 31, 2020	2,898	-	-	2,898
Additions	5,843	2,935	-	8,778
Depreciation	(1,544)	(269)	-	(1,813)
Balance, September 30, 2021	7,197	2,666	-	9,863
Additions	-	2,504	-	2,504
Depreciation	(872)	(148)	-	(1,020)
Balance, December 31, 2021	6,325	5,022	-	11,347
Additions	-	-	1,945	1,945
Depreciation	(2,556)	(813)	(163)	(3,532)
Balance, September 30, 2022	**3,769**	**4,209**	**1,782**	**9,760**

As at September 30, 2022	$	$		$
Cost	10,380	5,439	1,945	17,764
Accumulated depreciation	(6,611)	(1,230)	(163)	(8,004)
Net book value	**3,769**	**4,209**	**1,782**	**9,760**

(Unaudited - expressed in Canadian dollars)

5. Resource properties

The Company has interests in mineral properties in British Columbia and Yukon in Canada. A summary of capitalized acquisition costs is as follows:

	Company-owned properties			On option from third parties				**Total**
	Mariposa YT	Onjo BC	Gap BC	Kliyul BC	Redton BC	RDP BC	Chuchi BC	
	$	$	$	$	$	$	$	$
Balance, December 31, 2020 and June 30, 2021	429,619	-	-	12,500	12,500	-	-	454,619
Option payments in cash	-	-	-	10,000	10,000	15,000	-	35,000
Option payments in shares	-	-	-	-	-	52,000	-	52,000
Staking costs	-	-	-	-	-	16,449	-	16,449
Balance, December 31, 2021	429,619	-	-	22,500	22,500	83,449	-	558,068
Option payments in cash	-	75,000	-	-	-	-	10,000	85,000
Other payments in cash	-	4,434	12,261	-	-	-	18,323	35,018
Option payments in shares	-	328,750	-	-	-	-	-	328,750
Balance, September 30, 2022	**429,619**	**408,184**	**12,261**	**22,500**	**22,500**	**83,449**	**28,323**	**1,006,836**

In addition to the above capitalized acquisition costs, the Company has incurred the following exploration and evaluation expenses:

Property	Province / Territory	Nine months ended September **2022**	2021
		$	$
Kliyul	BC	**4,377,840**	1,146,221
Chuchi	BC	**262,751**	-
Onjo	BC	**222,346**	-
Redton	BC	**111,933**	33,306
RDP *	BC	**33,079**	59,379
Gap	BC	**12,331**	-
Mariposa	YT	**2,640**	3,797
Spius **	BC	**(4,261)**	18,434
General exploration not allocated to a specific property		**91,474**	44,907
Total exploration expenses incurred by the Company:		**5,110,133**	1,306,044
* Additional exploration in RDP financed by Antofagasta:		**1,610,769**	-
Total exploration expenses		**6,720,902**	1,306,044

* Of the total amount spent at RDP, $1,610,769 was financed by Antofagasta Minerals S.A. (note 5(c)(ii)).

** The Spius amount reflects the receipt of 33,334 common shares of Arctic Fox Ventures valued at $4,333 (notes 3 and 5(d)(i).

A description of the relevant projects follows:

5. Resource properties (continued)

a) Company-owned properties:

i) Mariposa property, Yukon

The Company acquired a 100% interest in the Mariposa property, Dawson Mining District, Yukon, in 2014. Between September 2016 and March 2019, the property was optioned to Four Nines Gold Inc. ("Four Nines"). The securities referred to in note 3 from Four Nines were received by the Company as part of the option payments. Upon termination of the option agreement, Four Nines paid $50,000 to the Company, which committed to carry out any possible reclamation work on behalf of Four Nines, of which $600 was carried out during 2021, and $42,851 during the nine months ended September 30, 2022. Unbilled amounts at September 30, 2022, related to this work and the remaining $6,549 are recorded in accrued liabilities.

ii) Onjo property, British Columbia

On January 27, 2022, the Company entered into a property purchase agreement to acquire a 100% interest in the Onjo copper-gold porphyry project in north-central British Columbia. The Company paid $50,000 in cash and issued 750,000 common shares with a fair value of $0.35 per share or $262,500. The vendor of Onjo retains a 2% NSR, with the Company having an option to purchase one quarter of the NSR at any time for USD $1,500,000.

On February 22, 2022, the Company entered into a sale and purchase agreement to acquire a 100% interest in four internal claims at Onjo by paying $25,000 cash and issuing 250,000 common shares with a fair value of $0.265 per share or $66,250 to the vendor. With the acquisition of these claims, Pacific Ridge now owns 100% of the claims within the Project boundary.

iii) Gap property, British Columbia

The Gap project is a reconnaissance porphyry Cu-Au exploration program in central British Columbia. The Company is evaluating known properties and showings as well as examining regional geological, geophysical and geochemical databases for evidence of potential porphyry Cu-Au mineralization.

b) Company-owned properties on option to third parties

i) Fyre Lake property, Yukon

The Company owns a 100% interest in the Fyre Lake property, located in the Watson Lake Mining District, Yukon. On January 18, 2017, the Company closed an option agreement with BMC Minerals (No. 1) Ltd. ("BMC"), amended on December 19, 2018, on April 10, 2020, and on December 12, 2021, whereby BMC has the right to acquire a 100% interest in Fyre Lake by making payments totalling $3,125,000 as follows:

A non-refundable deposit and initial option payment of $375,000 ($25,000 received in November 2016 and $350,000 received in January 2017), a second option payment of $300,000 received in December 2017, and a third option payment of $1,200,000 received on December 28, 2018. During the year ended December 31, 2019, the Company received a further $150,000. A special payment of $250,000 was made pursuant to the April 10, 2020, amending agreement, followed by three separate $75,000 payments, two of which were received during 2020 and the last one of which was paid during June of 2021. In addition, pursuant to an amending agreement dated December 22, 2021, the Company received a payment of $250,000 during December of 2021. During the nine months ended September 30, 2022, the Company received $75,000 from BMC.

(Unaudited - expressed in Canadian dollars)

5. Resource properties (continued)

b) Company-owned properties on option to third parties (continued)

i) Fyre Lake property, Yukon (continued)

In order to exercise the option, BMC must make a final $850,000 payment. This payment is due by December 31, 2022, or within 10 business days of BMC listing on an internationally recognized stock exchange, whichever comes first. BMC will also continue payments to the Company of $75,000 every six months until the final payment has been paid.

In addition, if it exercises the option, BMC has agreed to make a bonus payment of $1,000,000 if and when BMC's Kudz Ze Kayah property has reached commercial production for one year.

As there is no carrying value for Fyre Lake on the Company's statement of financial position, these option payments are recorded as property option payments on the statement of loss and comprehensive loss.

c) Third party properties being optioned to the Company

i) Kliyul and Redton properties, British Columbia

On January 17, 2020, the Company entered into an earn-in property agreement (the "Kliyul-Redton Agreement"), amended on April 7, 2020, and on July 22, 2020, with Aurico Metals Inc. ("Aurico"), with respect to the Kliyul and Redton properties located in British Columbia (jointly, "the Properties").

Under the terms of the Kliyul-Redton Agreement, the Company can earn a 51% undivided right, title and interest, other than underlying royalties, in the Properties by a payment to Aurico of $100,000 in cash of which $45,000 has been paid, the issuance of 2,000,000 common shares, and incurring expenditures in the aggregate amount of no less than $3,500,000, as follows:

Cash payments to be made	Shares to be issued	Exploration expenses to be incurred	Due date	Comment
$	#	$		
To earn 51%:				
10,000	-	-	Upon execution and regulatory approval	(Paid)
15,000	-	-	December 31, 2020	(Paid)
20,000	-	1,250,000	December 31, 2021	(Paid and incurred)
25,000	-	1,000,000	December 31, 2022	(Incurred)
30,000	2,000,000	1,250,000	December 31, 2023	
100,000	2,000,000	3,500,000		

(Unaudited - expressed in Canadian dollars)

5. **Resource properties** (continued)

c) Third party properties being optioned to the Company (continued)

i) Kliyul and Redton properties, British Columbia (continued)

In addition, the Company has the right to acquire an additional 24% undivided interest (other than underlying royalties) in the Properties by paying Aurico an additional $60,000 in cash, issuing an additional 1,500,000 common shares and incurring additional expenditures of no less than $3,500,000, as follows:

Cash payments to be made	Shares to be issued	Exploration expenses to be incurred	Due date	Comment
$	#	$		
To increase to 75%:				
30,000	-	1,500,000	December 31, 2024	
30,000	1,500,000	2,000,000	December 31, 2025	
60,000	1,500,000	3,500,000		

The Kliyul property is subject to 2% net smelter return royalties. The Redton property is subject to (i) a 2.5% net smelter return royalty, with the right of reducing it to 1% for $2,000,000, and (ii) a 2% royalty.

ii) RDP Property, British Columbia

On May 3, 2021 (amended on January 14, 2022), the Company entered into an agreement to acquire 100% of the RDP copper-gold porphyry project in central British Columbia, approximately 40 km west of its flagship Kliyul copper-gold project.

Under the terms of the Agreement, the Company has the option to earn a 100% interest in RDP by making payments as follows:

Cash payments to be made	Shares to be issued	Exploration expenses to be incurred	Due date (on or before)	Status
$	#	$		
5,000	100,000	-	Upon execution and regulatory approval	Completed
10,000	100,000	60,000	November 30, 2021	Completed
30,000	300,000	250,000	December 15, 2022	
80,000	700,000	550,000	December 15, 2023	
125,000	1,200,000	860,000		

5. Resource properties (continued)

c) Third party properties being optioned to the Company (continued)

ii) RDP property, British Columbia (continued)

In addition, Pacific Ridge will issue 300,000 shares to the vendor on completion of 5,000 m of drilling and an additional 500,000 shares upon defining a 1,000,000 ounces of gold equivalent resource in the inferred or greater category. The property is also subject to a 2% NSR payable to the vendor, half of which can be purchased at any time for $1.5 million.

In the year ended December 31, 2021, the Company issued an additional 100,000 common shares with a fair value of $0.22 per share ($22,000) to a consulting company that had certain data on the RDP property that the Company considered relevant for its project.

On February 10, 2022, the Company entered into an earn-in agreement on RDP (the "Agreement") with Antofagasta Minerals S.A. ("Antofagasta"), a wholly owned subsidiary of Antofagasta PLC. Antofagasta can earn a 75% interest in RDP by making cash payments in an aggregate amount of $1,350,000, plus a success payment of $800,000 upon exercise of the option, and spending $10,000,000 on exploration over eight years, with a firm commitment to spend $1,000,000 in year one, and delivering a NI 43-101 compliant preliminary economic assessment report. During the option period, Antofagasta will fund all exploration and Pacific Ridge will be the initial operator. Once Antofagasta has earned its 75% interest, Pacific Ridge and Antofagasta will form a 25:75 joint venture. If either party's interest in the joint venture falls below 10%, that party's interest will be converted to a 2% NSR, half of which can be purchased by the other party for $4,500,000.

During the nine months ended September 30, 2022, the Company received from Antofagasta $50,000 as the first earn-in option payment, and $2,000,000 in advances for exploration in RDP of which $1,610,769 were spent in exploration activities in the project during the nine months ended September 30, 2022. The remaining amount of $389,231 is expected to be spent during the last quarter of 2022 and at September 30, 2022, remained as a financial liability in the Company's condensed consolidated interim statement of financial position. In addition to exploration amounts funded by Antofagasta, the Company directly incurred $33,079 of exploration in RDP.

iii) Chuchi property, British Columbia

On May 6, 2022, the Company entered into a property earn-in agreement (the "Earn-In Agreement) with Aurico Metals Inc. ("AuRico"), a wholly owned subsidiary of Centerra Gold Inc. ("Centerra") for the acquisition of up to a 75% interest in the Chuchi porphyry copper-gold project located in north-central British Columbia ("Chuchi").

Under the terms of the Earn-In Agreement, the Company has the right to earn a 51% interest in Chuchi by making cash payments totaling $60,000, issuing 2,000,000 common shares, and spending $5,000,000 on exploration by the fourth anniversary of the Earn-In Agreement. The Company then has the right to increase its interest in Chuchi to 75% by making additional payments totaling $100,000, issuing 1,500,000 common shares, and completing an additional $5,000,000 in exploration by the sixth anniversary of the Earn-In Agreement. Various claims are subject to up to 6% in net smelter royalties, which can be bought down to 2.1%. An annual royalty advance of $20,000 will be paid during the fourth quarter of each year until production is reached. The Company will also pay a finder's fee of $15,000 on signing of an agreement and $5,000 every six months thereafter plus 2% on exploration expenditures after certain other property payments have been made.

(Unaudited - expressed in Canadian dollars)

5. **Resource properties** (continued)

d) Other properties

i) Spius, British Columbia

On April 27, 2018, the Company entered into an option agreement to acquire a 100% interest in the Spius property, Nicola and New Westminster Mining Divisions, British Columbia. The terms of the option agreement as amended on December 10, 2019, are as follows:

Cash payments to be made	Shares to be issued	Exploration expenses to be incurred	Due date	Comment
$	#	$		
10,000	200,000	-	Upon execution and regulatory approval	Completed
40,000	200,000	50,000	December 15, 2018	Completed
-	-	250,000	December 15, 2019	Completed
-	-	25,000	December 15, 2020	Completed
15,000	200,000	-	May 31, 2021	See below
15,000	200,000	-	December 15, 2021	See below
30,000	600,000	500,000	December 15, 2022	See below
110,000	1,400,000	825,000		

During the nine months ended September 30, 2022, the Company's expenses for Spius amounted to only $72 ($20,432 for the year ended December 31, 2021, of which $2,000 was spent during the nine months ended September 30, 2021).

The agreement is subject to a 1% NSR to the property vendor, half of which can be purchased for $1,500,000, as well as an underlying 2% NSR, of which the Company has the right to buy down half for $1,500,000. In addition, bonus payments are payable upon certain advanced development mileposts. One of the underlying vendors of the Spius property is a company where a director of the Company owns a 25% interest.

Due to weak results from the Company's 2019 drill program, the Company impaired its $71,000 carrying value.

On October 20, 2020, the Company entered into an Option Agreement with Arctic Fox Ventures Inc. ("Arctic Fox") and with the underlying owner of Spius, amended on June 8, 2022, and September 27, 2022, whereby the Company granted Arctic Fox an option to acquire a 60% interest in the Spius Option by making payments of $60,000, issuing 1,000,000 shares and spending $550,000 on exploration by December 31, 2024. With this agreement, as amended, Arctic Fox assumes the Company's obligations pursuant to the Spius option.

In consideration for an amendment dated September 27, 2022, which extended the final commitments of Arctic Fox with the underlying owners of Spius to December 31, 2024, the Company received 33,334 common shares of Arctic Fox, valued at $4,333 on September 30, 2022.

6. Share capital

a) Common Shares

The Company is authorized to issue an unlimited authorized number of common shares without par value. The following share issuances are presented in reverse chronological order:

i) On September 22, 2022, the Company raised gross cash proceeds of $780,000 on closing of a non-brokered private placement. The Company issued 3,391,304 units at a price of $0.23 per unit. Each unit consisted of one common share and one half of a share purchase warrant. Each whole share purchase warrant entitles its owner to purchase one common share of the Company at a price of $0.35 per share for two years from the date of issuance. The proceeds are to be used for general working capital and for exploration activities. Share issuance costs in connection with this placement amounted to $6,586.

The Company applied the residual value approach to allocate the proceeds received from the unit offering to their respective components (shares and warrants). Using this approach, the Company attributed no fair value to the warrant portion of the units issued to investors.

ii) On April 22, 2022, the Company closed a "best efforts" brokered private placement (the "Financing") with M Partners Inc. and Red Cloud Securities Inc., co-lead agents and joint book runners ("Agents"), and raised total gross cash proceeds of $7,431,200 through the issuance of 19,150,000 charity flow-through units ("CFT Units") at a price of $0.328 per CFT Unit and 5,000,000 common share units ("CS Units") at a price of $0.23 per CS Unit, including exercise in full of the Agent's 15% over-allotment option.

The CFT Units issued in connection with the Financing consist of one flow-through common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). The CS Units issued in connection with the Financing consist of one non-flow-through common share of Pacific Ridge and one-half of one Warrant. Each Warrant is exercisable to purchase one additional non-flow-through common share at an exercise price of $0.35 for a period of 24 months.

The Company applied the residual value approach to allocate the proceeds received from the unit offering to their respective components (shares, flow-through premium liability, and warrants). Using this approach, the Company attributed no fair value to the flow-through premium liability and warrant portions of the units issued to investors

In connection with the Financing, the Company paid the Agents an aggregate cash commission of $358,446 and issued the Agents an aggregate of 1,299,999 compensation warrants. Each compensation warrant is exercisable to purchase one common share of the Company at a price of $0.23 for a period of 24 months. All securities issued in connection with the Financing carry a legend restricting trading of the securities until August 22, 2022.

The fair value of the 1,299,999 compensation warrants was calculated at $416,289 using the Black-Sholes option pricing model with the following parameters: expected volatility: 126.9%, risk-free interest rate 2.5% and expected life of two years.

In addition, the Company reimbursed the Agents for legal fees and expenses amounting to $61,500. Other share issue costs incurred in connection with the preparation of agreements, transfer agent fees, filing fees, etc., amounted to $207,324.

6. **Share capital** (continued)

a) Common Shares (continued)

iii) During the nine months ended September 30, 2022, the Company issued 1,000,000 common shares with a fair value of $328,750 for the acquisition of the Onjo property (note 5(a)(ii)).

iv) During the nine months ended September 30, 2022, the Company issued 1,354,500 common shares upon exercise of a similar number of share purchase warrants for cash proceeds of $239,540 (note 6(b)).

v) During the nine months ended September 30, 2022, the Company issued 690,000 common shares upon exercise of a similar number of stock options for cash proceeds of $67,900 (note 6(c)).

vi) Total share issuance costs for the nine months ended September 30, 2022, amounted to $633,855 paid in cash (included amounts mentioned in note 6(a)(i) and 6(a)(ii)), and $416,289 attributed to the fair value of the Agent's warrants, which was charged to contributed surplus.

vii) Private placement closed on June 1, 2021:

On June 1, 2021, the Company closed a non-brokered private placement, raising gross cash proceeds of $1,500,000 through the issuance of 10,000,000 units at a price of $0.15 per unit ("Unit"). Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant exercisable to purchase one additional common share at an exercise price of $0.23 for a period of 24 months expiring on June 3, 2023. No finders' fees were paid in connection to the private placement, and share issuance costs amounted to $30,283.

The Company applied the residual value approach to allocate the proceeds received from the unit offering to their respective components (shares and warrants). Using this approach, the Company attributed no fair value to the warrant portion of the units issued to investors.

viii) Flow-through private placement closed on March 8, 2021.

On March 8, 2021, the Company raised gross proceeds of $1,136,000 on closing of a non-brokered flow-through private placement, issuing 8,000,000 units at a price of $0.142 per unit ("2021 FT Unit"). Each 2021 FT Unit was comprised of one common share of the Company that qualifies as a "flow-through share" for the purposes of the Income Tax Act (Canada) (an "2021 FT Unit Share") and one-half of one common share purchase warrant, with each whole warrant exercisable to purchase one additional non-flow-through common share at an exercise price of $0.15 for a period of two years. No finder's fees were paid. Share issuance costs in connection with legal advice, filing fees and transfer agent fees amounted to $10,178. Final TSX Venture Exchange approval was received on March 9, 2021.

The Company applied the residual value approach to allocate the proceeds received from the unit offering to their respective components. The fair value of the common shares was determined by using the trading price of the Company's shares at the date of issuance. The excess of the unit price over the fair value of the common shares was used to determine the residual value. The residual value was allocated between warrants and the flow-through liability by using their relative fair values as determined by the Black-Scholes option pricing model and the approximate expected tax benefit received by the investor, respectively. The parameters used in the Black Scholes calculations were as follows: expected volatility: 117.2%, risk-free interest rate: 0.24%, dividend yield: 0%, and expected life of two years.

6. **Share capital** (continued)

a) Common Shares (continued)

viii) Flow-through private placement closed on March 8, 2021 (continued).

The residual value of the unit offering after deducting the fair value of the common shares was $296,000 or $0.037 per share, of which $82,145 and $213,855 was allocated to the corresponding investors' warrants and flow-through premium liability, respectively. This flow-through premium liability was derecognized as deferred flow-through tax recovery in the Company's consolidated statement of loss and comprehensive for the year ended December 31, 2021, as the Company had incurred the $1,136,000 raised through the 2021 FT units in qualifying expenses.

ix) Other shares issued during 2021.

On December 2, 2021, the Company issued 100,000 common shares with a fair value of $0.21 per share as part of the option agreement for the acquisition of the RDP project.

On July 7, 2021, the Company issued a further 100,000 common shares at a fair value of $0.22 per share to acquire some geological data relevant to the RDP project; the related $22,000 was expensed as exploration cost.

On May 5, 2021, the Company issued 100,000 common shares with a fair value of $0.31 per share as part of the option agreement for the acquisition of the RDP project.

During the year ended December 31, 2021, the Company issued an aggregate of 750,500 common shares on exercise of share purchase warrants and agent's warrants with an exercise price of $0.12 per share, for cash proceeds of $90,060.

During the year ended December 31, 2021, an aggregate of 190,000 stock options were exercised for gross proceeds of $23,700.

Share issuance costs in connection with the above issuances, in addition to those incurred in the two aforementioned private placements, amounted to $1,621.

(Unaudited - expressed in Canadian dollars)

6. **Share capital** (continued)

b) Share Purchase Warrants

A summary of the warrants outstanding is as follows:

	Nine months ended September 30, 2022		Year ended December 31, 2021	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
	#	$	#	$
Starting balance	9,866,502	0.19	1,617,000	0.12
Issued to investors	13,770,650	0.35	9,000,002	0.19
Issued to agents	1,299,000	0.23	-	-
Exercised by investors	(1,350,000)	0.14	(710,000)	0.12
Exercised by agents	(4,500)	0.12	(40,500)	0.12
Expired unexercised	(212,000)	0.12	-	-
Ending balance	23,369,652	0.29	9,866,502	0.19

As at September 30, 2022, the summary of warrants outstanding and exercisable are as follows:

Issue date	Type of warrants	Expiry date	Exercise price	Warrants outstanding
			$	#
March 8, 2021	Investor warrants	March 8, 2023	0.15	4,000,000
June 1, 2021	Investor warrants	June 3, 2023	0.23	4,300,002
April 22, 2022	Investor warrants	April 21, 2024	0.35	12,074,998
April 22, 2022	Agents' warrants	April 21, 2024	0.23	1,299,000
September 22, 2022	Investor warrants	September 22, 2024	0.35	1,695,652
			0.29	23,369,652

Please refer to notes 6(a)(i), 6(a)(ii), 6(a)(vii) and 6(a)(viii) for a discussion of the fair value assigned to the warrants issued to investors and to agents.

6. **Share capital** (continued)

c) Stock Options

The Company has a stock option plan in place authorizing the granting of stock options to qualified optionees to purchase a total of up to 10% of the then issued and outstanding common shares of the Company. Stock options generally are granted for a maximum term of five years and expire 90 days following the termination of the optionee's agreement. The exercise price for the options is set at the closing market price of the common shares on the grant date. The vesting periods of options vary with terms determined by the board of directors. The following options were granted pursuant to the Company's stock option plan:

- On June 14, 2022, the Company granted 300,000 fully vested incentive stock options to an employee, to purchase 300,000 common shares at an exercise price of $0.36 exercisable over a period of five years, and subject to the Company's stock option plan and TSX Venture Exchange policies.
- On May 12, 2022, the Company granted incentive stock options to various officers, directors, employees and consultants to purchase 2,550,000 common shares of the Company at an exercise price of 0.36 per share, exercisable for a period of five years. The options granted to various directors, officers, and employees vest immediately. The 100,000 stock options granted to two investor relations consultants will vest 25% each quarter over a 12-month period. The stock options are subject to the terms and conditions of Pacific Ridge's stock option plan and the policies of the TSX Venture Exchange.
- On July 15, 2021, the Company granted an aggregate of 1,100,000 stock options to directors, officers, employees and certain consultants, pursuant to the Company's stock option plan and the policies of the TSX Venture Exchange. Each option is exercisable into one common share of the Company at a price of $0.25 per share for a period of five years from this date. An aggregate of 200,000 of those stock options will vest 25% each quarter during a 12-month period, while the remaining options were granted fully vested.
- On March 9, 2021, the Company granted 850,000 stock options to two directors and to an investor relations consultant, exercisable into one common share of the Company at a price of $0.105 per share for a period of five years. Of the total amount, 650,000 were granted to two directors fully vested; the remaining 200,000 options granted to the investor relations consultant will vest 25% every quarter over a period of one year.

The Company applies the fair value method of accounting for stock options. Option pricing models require the input of highly subjective assumptions including expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

(Unaudited - expressed in Canadian dollars)

6. **Share capital** (continued)

c) Stock Options (continued)

The fair value of options granted was estimated at the grant date based on the *Black-Scholes* option-pricing model, using the following assumptions:

	Nine months ended	Year ended
Period of grant	September 30, 2022	December 31, 2021
Number of options granted	2,850,000	1,950,000
Weighed average risk-free interest rate	2.87%	0.85%
Weighted average expected volatility	109.81%	109.34%
Weighted average expected option life in years	5	5
Calculated total fair value	$804,968	$254,543
Value vested during period	$791,402	$233,508
Expected dividend yield	Nil	Nil

Stock option transactions and the number of stock options outstanding and exercisable are summarized below:

	Nine months ended September 30, 2022		Year ended December 31, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	#	$	#	$
Balance, beginning of year	4,840,000	0.11	3,355,000	0.06
Granted	2,850,000	0.36	1,950,000	0.19
Exercised	(690,000)	0.06	(190,000)	0.08
Expired unexercised	-	-	(275,000)	0.08
Outstanding, end of period	7,000,000	0.21	4,840,000	0.11
* Exercisable, end of period	6,850,000	0.21	4,640,000	0.10

* As at September 30, 2020, an aggregate of 150,000 stock options had not yet vested and were not exercisable.

(Unaudited - expressed in Canadian dollars)

6. **Share capital** (continued)

c) Stock Options (continued)

Stock options exercisable are as follows:

Expiry date	Exercise price	September 30, 2022	December 31, 2021
	$	#	#
June 16, 2022	0.060	-	340,000
July 21, 2022	0.050	-	200,000
January 12, 2023	0.060	200,000	200,000
November 1, 2023	0.065	200,000	200,000
January 4, 2024	0.050	900,000	900,000
March 16, 2025	0.050	750,000	750,000
October 22, 2025	0.075	350,000	350,000
March 9, 2026	0.105	850,000	800,000
July 15, 2026	0.250	900,000	900,000
May 12, 2027	0.360	2,400,000	-
June 14, 2027	0.360	300,000	-
	0.207	6,850,000	4,640,000

7. **Government grants and tax credits**

During the nine months ended September 30, 2022, the Company received $267,372 corresponding to the British Columbia Mining Exploration Tax Credit (“BCMETC”) filed for year 2021 (2021 - $157,070, of which $76,269 corresponding to exploration expenses incurred during fiscal year 2019, and $80,801 corresponding to exploration expenses incurred during fiscal year 2020).

No government grants were received by the Company in the nine months ended September 30, 2022, or 2021.

8. **Related parties**

Related parties include the board of directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

The Company has no compensation arrangements with its board of directors other than non-cash stock option grants. In the case of senior officers of the Company, which include the Executive Chairman, the President & CEO, and the CFO, the Company provides certain compensation for termination without cause and for a change of control of the Company.

Key management includes the board of directors and executive officers.

(Unaudited - expressed in Canadian dollars)

8. Related parties (continued)

Compensation awarded to key management is listed below:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
	$	$	**$**	$
Management fees paid to a Company controlled by the Executive Chairman of the Company, and salary paid to him *	**26,400**	24,000	**76,000**	72,000
Salary paid to the CEO of the Company	**52,290**	49,800	**153,550**	111,925
Management fees paid to a company controlled by the CFO of the Company	**18,000**	15,000	**50,000**	41,000
Share-based payments recorded for stock options granted to directors and officers of the Company (non-cash expense)	**493,323**	100,132	**493,323**	154,402
	590,013	188,932	**772,873**	379,327

* A percentage of the Executive Chairman's compensation is charged to exploration and evaluation expenses

In addition, with respect to the option agreement for the purchase of the Spius property (Note 5(d)(i)). The underlying vendors of this property include a company where a director of the Company owns a 25% interest.

9. Capital management

The Company's objective in managing its capital is to maintain the ability to continue as a going concern and to continue to explore the various properties for the benefits of its shareholders. The Company's operations have been and will continue to be funded by the sale of equity to investors.

The Company's capital includes the components of shareholders' equity. Capital requirements are driven by the Company's exploration activities on its mineral property interests and associated administration expenses. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals.

The Company monitors actual expenses relative to the approved budget on all exploration projects and overheads to manage costs, commitments and exploration activities. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2022.

10. Financial instruments

Fair values

As at September 30, 2022, the recorded amounts for cash, other receivables and trade payable and accrued liabilities approximate their fair values due to their short maturity. The Company's marketable securities and warrants are measured at fair value on a recurring basis. These financial instruments are grouped into Level 1 to 3 based on the degree to which the significant inputs used to determine the fair value are observable. Marketable securities are classified within level 1 of the fair value hierarchy as their fair value measurement is derived from quoted prices in active markets for identical assets. Warrants are classified within level 2 of the fair value hierarchy as their fair value measurement is derived from inputs other than quoted prices included within level 1, that are observable either directly or indirectly. No financial instruments were considered level 3, which are fair value measurements derived from valuation techniques that include significant inputs that are not based on observable market data.

Interest rate risk

The Company's cash held in financial institutions earns interest at variable interest rates. During 2022, interest rates have been on the rise and the Company has received higher interest on its deposits than in 2021. However, due to the short-term nature of these financial instruments, fluctuations in market rates do not have a material impact on the expected cash flows.

Credit risk

The Company has its cash deposited with large, federally insured, commercial financial institutions, and therefore exposed to minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities and through the management of its capital structure. At September 30, 2022, the Company had cash of $2,020,628 (December 31, 2021- $549,391), trade payable and accrued liabilities of $79,866 (December 31, 2021 - $222,795), and a nil lease liability (December 31, 2021 - $29,252) (note 11).

Currency risk

As at September 30, 2022, the Company kept less than 1% of its cash in US dollars. A change in the value of the US dollar by 10% relative to the Canadian dollar would affect the Company's working capital by an immaterial amount (December 31, 2021 - $1,000).

Price risk

The Company is exposed to price risk on its marketable securities and warrants due to fluctuations in the current market prices and fluctuations in trading volumes of those securities. At September 30, 2022, the Company held marketable securities with a fair value of $49,533 (December 31, 2021 - $54,000). These investments are subject to market price fluctuations that can be significant.

11. Right-of-use asset and lease liability

The Company recognizes lease liabilities in relation to a sublease agreement for office space. These liabilities are measured at the present value of the remaining lease payments starting on September 1, 2020, by using the Company's incremental borrowing rate. The weighted average incremental borrowing rate applied to the lease liabilities on September 1, 2020, was 10%. The associated lease liability recognized as at September 1, 2020, was $52,967, and at December 31, 2020, the lease liability was valued at $48,541.

An associated right-of-use asset for the lease was measured at the amount equal to the lease liability on September 1, 2020. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method.

On April 1, 2021, an additional office unit was incorporated into the September 1, 2020, sublease agreement and was valued at that date at $18,158.

The sublease expired on August 31, 2022, and no new sublease agreement has been entered into. After August 31, 2022, the Company has been paying its office rent on a month-to-month basis. As a result, no lease liabilities existed at September 30, 2022.

The following table summarizes the difference between operating lease commitments disclosed immediately preceding the date of initial application, and lease liabilities recognized in the condensed consolidated interim statement of financial position at the date of initial application:

(Unaudited - expressed in Canadian dollars)

11. Right-of-use asset and lease liability (continued)

Lease liability		$
Lease liability as at December 31, 2020		48,541
Setup of new lease agreement on April 1, 2021	19,550	
Lease interest	(1,392)	
Value of lease as at April 1, 2021	18,158	**18,158**
Lease payments		(30,705)
Lease interest		3,737
Lease liability as at September 20, 2021		39,731
Lease payments		(11,385)
Lease interest		906
Lease liability as at December 31, 2021		29,252
Lease payments		(30,360)
Lease interest		1,108
Lease liability as at September 30, 2022		**-**
Current portion		-
Long-term portion		-
		-

Right-of-use asset	$
Value of right-of-use asset on December 31, 2020	47,767
Setup of new right-of-use asset on April 1, 2021	18,158
Amortization	(27,903)
Value of right-of-use asset as at September 30, 2021	38,022
Amortization	(10,370)
Value of right-of-use asset as at December 31, 2021	27,652
Amortization	(27,652)
Value of right-of-use asset as at September 30, 2022	**-**

12. Segmented information

The Company has one business segment, the exploration of mineral properties, further subdivided into geographic regions. As at September 30, 2022 and 2021, all of the Company's non-current assets were held in Canada.

13. Subsequent events

a) Exercise of warrants

Subsequent to September 30, 2022, the Company received cash proceeds of $15,217 on exercise of 43,478 share purchase warrants with an exercise price of $0.35 per share.

b) Private placement announced

On November 17, 2022, the Company announced that it had entered into an agreement with Sprott Capital Partners LP as lead agent on behalf of a syndicate of one or more additional agents (referred to collectively as the "Agents"), in connection with a "best efforts" private placement financing of (i) 8,900,000 units of the Company (the "Units") at a price of $0.28 per Unit, (ii) 6,250,000 units of the Company issued on a flow-through basis (the "FT Units") at a price of $0.32 per FT Unit, and (iii) 16,650,000 units of the Company issued on a charity flow-through basis (the "Charity FT Units") at a price of $0.42 per Charity FT Unit, and together with the Units and FT Units, (the "Offered Securities") for aggregate gross proceeds of $11,485,000 (the "Offering").

Each Unit will be comprised of one common share of the Company (a "Common Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each FT Unit and Charity FT Unit will be comprised of one Common Share, each to be issued as a "flow-through share" under the Income Tax Act (Canada), and one-half of one Warrant. The Common Shares acquired upon exercise of the Warrant comprising part of the Charity FT Unit and FT Unit will not qualify as a flow-though share. Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of $0.40 for a period of 2.0 years (24 months) from the date of issuance.

In addition, the Company shall grant the Agents an over-allotment option (the "Over-Allotment Option"), exercisable in whole or in part at any time and from time to time, up to and including the date which is three business days prior to the closing of the Offering, in the sole discretion of the Agents, to purchase from the treasury of the Company up to an additional number of Offered Securities as is equal to 15% of the number of the Offered Securities issued pursuant to the Offering, on the same terms as set forth above, to cover over-allotments, if any.

The net proceeds from the sale of the Units will be used for general and administrative expenses and the gross proceeds from the sale of the FT Units and Charity FT Units will be used to incur eligible expenses ("Qualifying Expenses") that are "Canadian exploration expenses", within the meaning of subsection 66.1(6) of the Income Tax Act (Canada), which will also qualify as "flow-through mining expenditures", within the meaning of s. 127(9) of the Income Tax Act (Canada).

The Offering is expected to close on or about December 15, 2022, or such other date as agreed between the Company and the Agents, and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange.

* * * * *