VISIONARY GOLD CORP.

Condensed Consolidated Interim Financial Statements

(Unaudited)

For the six months ended December 31, 2022

Visionary Gold Corp.
Suite 407 – 325 Howe Street
Vancouver, British Columbia, Canada V6C 1Z7

Trading Symbol: VIZ
Telephone: 604-687-3520
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NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATMENTS

In accordance with National instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are responsibility of the Company's management.

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

VISIONARY GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
ASSETS			
Current			
Cash		$ 21,360	$ 676,889
Other receivable		12,649	16,002
Prepaid expenses and deposits	11	9,680	200,050
		43,689	892,941
Non-current			
Reclamation and environmental bonds	4	61,858	58,853
Exploration and evaluation assets	4	3,948,609	2,206,834
		4,010,467	2,265,687
		$ 4,054,156	$ 3,158,628
LIABILITIES			
Current			
Accounts payable and accrued liabilities	5, 10	$ 264,330	$ 300,097
Loans Payable	6	331,388	-
		595,718	300,097
Non-current			
Decommissioning obligation	7	67,860	67,860
Restoration provision	4	4,005	4,005
		71,865	71,865
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	8	11,364,000	9,857,403
Shares subscribed	8	-	817,182
Contributed surplus	8	2,757,971	2,689,639
Accumulated other comprehensive income		132,833	64,525
Deficit		(10,868,231)	(10,642,083)
		3,386,573	2,786,666
		$ 4,054,156	$ 3,158,628

Nature of Operations and Going Concern (Note 1)
Subsequent Event (Note 15)

These consolidated financial statements were authorized for issue by the board of Directors on March 1, 2023. They are signed on the Company's behalf by:

"John Kanderka"	***"Wes Adams"***
John Kanderka, Director	Wes Adams, Director

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

VISIONARY GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars; Unaudited)

		For the three months ended December 31,		For the six months ended December 31,	
	Note	**2022**	**2021**	**2022**	**2021**
Expenses					
General and administrative	9,10	$ 83,517	$ 149,367	$ 196,663	$ 315,813
Share-based payments	8	23,969	-	68,332	81,249
Resource operating expenses		-	-	-	7,079
		107,486	149,367	264,995	404,141
Other items					
Foreign exchange gain (loss)		37	(6,243)	17,383	(27,933)
Gain on settlement of debt		21,464	-	21,464	-
		21,501	(6,243)	38,847	(27,933)
Net loss for the period		(85,985)	(155,610)	(226,148)	(432,074)
Other comprehensive income					
Items that may be reclassified to profit or loss					
Foreign currency translation adjustment		(38,458)	$ 2,907	68,308	43,267
Total comprehensive loss for the period		$ (124,443)	$ (152,703)	$ (157,840)	$ (388,807)
Basic and diluted loss per share		$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding		102,693,563	71,945,563	100,086,041	71,945,563

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

VISIONARY GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Number of shares	Share capital	Shares subscribed	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
Balance as at June 30, 2021 (Audited)	71,945,563	$ 9,857,403	$ -	$ 2,523,677	$ (11,387)	$ (8,662,991)	$ 3,706,702
Share-based compensation	-	-	-	81,249	-	-	81,249
Net loss and comprehensive income	-	-	-	-	43,267	(432,074)	(388,807)
Balance as at December 31, 2021 (Unaudited)	71,945,563	9,857,403	-	2,604,926	31,880	(9,095,065)	3,399,144
Shares subscribed	-	-	831,604	-	-	-	831,604
Shares issue costs	-	-	(14,422)	-	-	-	(14,422)
Share-based compensation	-	-	-	84,713	-	-	84,713
Net loss and comprehensive income	-	-	-	-	32,645	(1,547,018)	(1,514,373)
Balance as at June 30, 2022 (Audited)	71,945,563	9,857,403	817,182	2,689,639	64,525	(10,642,083)	2,786,666
Shares issued:							
Private placements	30,748,000	1,537,400	-	-	-	-	1,537,400
Shares subscribed	-	-	(817,182)	-	-	-	(817,182)
Shares issue costs	-	(30,803)	-	-	-	-	(30,803)
Share-based compensation	-	-	-	68,332	-	-	68,332
Net loss and comprehensive income	-	-	-	-	68,308	(226,148)	(157,840)
Balance as at December 31, 2022 (Unaudited)	**102,693,563**	**$ 11,364,000**	**-**	**$ 2,757,971**	**$ 132,833**	**$ (10,868,231)**	**$ 3,386,573**

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

VISIONARY GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars; Unaudited)

	Note	For the six months ended December 31, 2022	2021
Cash provided by (used in):			
Operating activities			
Net loss and comprehensive loss		$ (226,148)	$ (388,807)
Items not involving cash:			
Share-based payments	8	68,332	81,249
Gain on settlement of debt		(21,464)	-
Foreign exchange gain		(17,382)	(27,904)
Changes in non-cash working capital related to operating activities		49,464	(134,672)
Cash used in operating activities		(147,198)	(470,134)
Investing activities			
Additions to exploration and evaluation assets	4	(1,611,820)	(1,786,519)
Reclamation and environmental bonds		-	(1,297)
Cash used in investing activities		(1,611,820)	(1,787,816)
Financing activities			
Loans Payable	6	331,388	-
Proceeds from issuance of shares	8	705,796	-
Share issue costs	8	(16,381)	-
Cash provided by financing activities		1,020,803	-
Net decrease in cash		(738,215)	(2,257,950)
Effect of exchange rate changes on cash		82,686	27,904
Cash - beginning of the period		676,889	3,191,190
Cash - end of the period		$ 21,360	$ 961,144
Supplemental Cash Flow information			
Non-cash investing and financing activities:			
Exploration and evaluation assets in accounts payable		$ 198,504	$ 315,867

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Visionary Gold Corp. (the "Company" or "Visionary") was incorporated on August 14, 2000 under the Business Corporations Act of the Province of British Columbia and trades on the TSX Venture Exchange ("TSX-V") under the symbol "VIZ". Its registered office is 4th Floor, Unit #407, 325 Howe Street, Vancouver, BC V6C 1Z7.

The Company is a junior exploration company and is focused on acquiring and developing projects.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company incurred a net loss of $226,148 for the six months ended December 31, 2022 (2021 – $388,807). To date, the Company has not earned significant revenues and has accumulated losses of $10,868,231. The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain necessary equity or other financing to continue operations, and/or to attain sufficient profitable operations.

There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption. The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. The outcome of these matters cannot be predicted at the present time. These factors indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Due to the unfolding crisis in the Ukraine the Company may be exposed to new risks and uncertainties. In our case this is mainly a capital markets risk relating to financing and to lesser extent potential higher energy related costs.

These condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. If the going concern basis was not appropriate for these condensed consolidated interim financial statements, adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statements of financial position classifications used.

2. BASIS OF PREPARATION

(a) Statement of compliance with IFRS

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of preparation and measurement

Depending on the applicable IFRS requirements, the measurement basis used in the preparation of the condensed consolidated interim financial statements is cost, net realizable value, fair value or recoverable amount. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended June 30, 2022.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2022. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the six-month period ended December 31, 2022 are not necessarily indicative of the results that may be expected for the current fiscal year ending June 30, 2023.

4. EXPLORATION AND EVALUATION ASSETS

Majuba Hill

On September 20, 2020, the Company signed a Debt Settlement Agreement (the "DSA") with regards to its 2017 lease agreement on the Majuba Hill property in Pershing County, North Central Nevada. Pursuant to the DSA, the parties agreed and the Company paid US$50,000 as full and final settlement.

As a result of ceasing activities on the Majuba Hill property, the Company is required to restore the site. The Company has recorded a provision for disposal costs of $4,005 (December 31, 2021 - $4,005).

As of December 31, 2022, the Company had a reclamation bond of $6,328 (US$4,672) with the Bureau of Land Management (December 31, 2021 - $5,923 (US$4,672)). On September 23, 2020, the Company engaged a consultant to commence reclamation work at Majuba Hills in October 2020 and the reclamation work has been completed at a cost of US$8,500. Further work is being undertaken to establish vegetation at the site, which is estimated to take 2 to 3 years.

Wolf Gold Project

On September 4, 2020 (the "Effective Date"), the Company, through its wholly-owned subsidiary Lost Creek Corporation ("LCC"), entered into a lease assignment agreement (the "LAA") with a private company ("GLM") located in the state of Wyoming, whereby GLM agreed to assign to LCC and LCC agreed to assume from GLM all of GLM's rights, title, interests, obligations and liabilities in and under two leases, dated June 12, 2020 and July 6, 2020, with the lessors. Pursuant to the LAA and a subsequent amendment:

- LCC will pay GLM annual payments of US$30,000 on execution of the LAA (paid) and US$40,000 (paid) on each anniversary of the Effective Date through termination, expiration or reassignment of the leases. These annual payments will be credited against royalty payment obligations and toward the royalty buy-out. LCC is under no obligation to make the annual payments from and after the date LCC ceases production, exploration or development of the property and its activities on the property are for reclamation only or upon LCC's exercise of the option, upon reassignment or upon expiration or termination of the underlying lease(s).
- LCC will pay to GLM a 2% Net Smelter Returns ("NSR") royalty on the production and sale of minerals from the property. Within five years from the Effective Date, LCC has the option, but not the obligation, to purchase the royalty for US$2 million, minus all prior annual payments.
- If LCC fails to exercise the royalty buy-out, it will have the option to reassign the leases to GLM and GLM may, in its discretion, elect to assume all of LCC's right, title and interest in the leases. Upon reassignment, LCC will have no further obligations regarding leases or the LAA, including no obligation to make the annual payments or the royalty payment to GLM.
- If the lessor wishes to sell, grant, assign, convey, encumber, license, pledge or otherwise commit, dispose or transfer all or any portion of its interest in the claims, the property, the LAA or the production royalty payments, then the lessor will first offer such interest to LCC.

Pursuant to the underlying lease agreements (the "LAs"):

- The initial term of the LAs is three years and the leases shall be for so long thereafter as royalties are payable to the lessors in respect of the claims provided that the LAs can be terminated by GLM at any time.
- GLM will pay to the lessors a 2.5% production royalty equal to the NSR derived by GLM from operations conducted on the claims properties.
- In order to maintain the leases, GLM paid advance royalty payments (for each lease) of US$2,500 on execution on July 6, 2020, and must pay US$2,500 on or before each anniversary date for as long as the LAs are in effect. All advance royalty payments will be credited to and recoverable by GLM from all production royalties accruing as production royalties to the lessors.

4. EXPLORATION AND EVALUATION ASSETS *(continued)*

Wolf Gold Project *(continued)*

- GLM can elect to terminate the LAs and its performance thereunder by conveying all right, title and interest it may have in the claims to the lessors.
- Either party has the right to assign its interest in the LAs to either an affiliate, in which case the assigning party remains a guarantor, or to a non-affiliate.

During the year ended June 30, 2022, the Company elected not to continue the LAA and LAs, and had written off all deferred costs incurred to date.

On March 23, 2021, the Company entered into a mining lease agreement with an option to buy (the "Agreement") certain mining claims in Fremont County, Wyoming, which consists of three unpatented mining claims. The initial term of the Agreement was to expire on March 23, 2026, subject to the option of the Company to extend the expiry date for a further five-year period. Pursuant to the Agreement:

- The Company will pay to the lessor the sum of US$30,000 upon execution (paid) and each year during the term of the Agreement and has an option to buy the property for US$3,000,000 at any point during the term of the Agreement;
- During the term of the Agreement, a 4% net smelter returns royalty is payable to the current owners of the property with the right to buy down the royalty to 2% for US$2,000,000 per percentage point; and
- The Company can terminate the Agreement at any time, without penalty.

During the year ended June 30, 2022, the Company elected not to continue the LAA and LAs, and had written off all deferred costs incurred to date.

On May 8, 2021, the Company entered into a purchase and sale agreement with Innovation Exploration Ventures LLC and an individual to acquire certain mining claims and data for $99,000 (paid) with the issuance of 550,000 common shares of the Company at a deemed price of $0.18 per share.

As of December 31, 2022, the Company had a refundable environmental bond of $55,530 (US$41,000) (December 31, 2021 - $51,980 (US$41,000)).

As of December 31, 2022, the Company had capitalized $2,243,981 (June 30, 2022 - $2,206,834) in exploration and evaluation expenditures related to the Wolf Gold Project.

Black Rock Gold-Copper Prospect/ Tin Cup Copper Prospect

During the period ended December 31, 2022, the Company staked 35 claim cells, and leased 640 acres of land owned by the State of Wyoming at Black Rock, covering a total land position of 1,340 acres in Black Rock Gold-Copper Prospect (“Black Rock”) in Jeffrey City, Wyoming. The Company also staked 93 claim cells for a total of 2,500 hectares in Tin Cup Copper Prospect (“Tin Cup”) that located at the west-northwest of Black Rock for a total amount of $2,432 during the period ended December 31, 2022.

As of December 31, 2022, the Company had capitalized $1,704,628 (June 30, 2022 - $Nil) in exploration and evaluation expenditures related to the Black Rock and Tin Cup projects.

(Expressed in Canadian dollars; Unaudited)

4. EXPLORATION AND EVALUATION ASSETS *(continued)*

A summary of exploration and evaluation assets is as follows:

	Wolf Gold Project	Black Rock/Tin Cup Project	Total
Balance at June 30, 2022	**$ 2,206,834**	**$ -**	**$ 2,206,834**
Additions during the period			
Acquisition and holding costs:			
Exploration and evaluation	12	-	12
Option payment	7,900	-	7,900
Staking	272	2,404	2,675
	8,184	2,404	10,587
Exploration expenditures:			
Equipment Rental	(9,688)	141,763	132,075
Claim fees and licenses	16,912	33,420	50,332
Training/certification	14	-	14
Assays	16,815	231,102	247,917
Camp and field costs	(5,495)	98,512	93,017
Drilling	97	541,496	541,594
Fuel	-	63,153	63,153
Geochemistry	1,465	-	1,465
Geological supplies	2,070	25,607	27,677
Geology	9,207	136,605	145,812
Permits	613	6,124	6,737
Geophysics	(4,018)	67,653	63,635
Environmental consulting	(4,615)	107,005	102,390
Report, drafting and maps	(9,469)	15,326	5,857
Travel & accomodations	5,218	26,359	31,577
Field supplies	1,071	1,570	2,641
Legal	10	-	10
Labour	66	1,390	1,456
Consulting	8,248	169,928	178,176
Freight	442	17,033	17,475
Field equipments	-	18,176	18,176
	28,963	1,702,224	1,731,187
Net change	37,147	1,704,628	1,741,775
Balance at December 31, 2022	**$ 2,243,981**	**$ 1,704,628**	**$ 3,948,609**

(Expressed in Canadian dollars; Unaudited)

5. TRADE PAYABLES

The Company's trade and other payables are as follows:

Amounts included in Trade payables and Accrued liabilities:		December 31, 2022		June 30, 2022
Trade payables	$	264,330	$	225,521
Accrued liabilities		-		74,576
	$	264,330	$	300,097

6. LOANS PAYABLE

Amounts included in Loans payable:		December 31, 2022		June 30, 2022
Director, Chief Executive Officer (1)	$	135,000	$	-
A private company (2)		196,388		-
Total	$	331,388	$	-

(1) Wes Adams (the "Holder"), advanced $135,000 (US$100,000) to the Company on November 17, 2022. Subsequently on February 9, 2023, the Holder advanced another $335,675 (US$250,000) to the Company. On February 10, 2023, the Company signed a promissory note (the "Promissory Note") to pay to the Holder an aggregate of US$350,000 (the "Principal") on or before 12 months from the date of execution of this Promissory Note (the "Maturity Date"), with interest calculated at a rate of 2.0% per annum on any unpaid Principal, such interest to be calculated daily in arrears and payable on the Maturity Date. (Notes 9 &15)

(2) During the six months ended December 31, 2022, the Company received a loan of $196,388 (US$145,000) from a private company. The loan payable is unsecured, bearing an annual interest of 6.0%, and has no specific terms of repayment.

7. PETROLEUM AND NATURAL GAS PROPERTIES

In March 2011, the Company (the "Farmee") entered into a farmout and participation agreement (the "Farmout Agreement") with a private company (the "Farmor") in the business of exploring for and producing oil, gas and coal. Pursuant to the Farmout Agreement, the Company earned the Farmor's pre-farmout 25% working interest in two test wells located in Saskatchewan and can earn a 25% working interest if the Farmor licenses contingent locations in the farmout and mutual interest lands (as defined in the Farmout Agreement). The Farmor was appointed the initial Operator ("Operator 1") of the wells with respect to all operations conducted by both parties. In December 2017, the Farmor transferred and conveyed its entire interest in the agreement to another private company ("Operator 2") in the business of consolidating undervalued, under-exploited, mature and producing oil and natural gas assets.

During the year ended June 30, 2017, the Company changed its focus from oil and gas exploration and production to mineral exploration and, accordingly, wrote off the carrying value of its oil and gas properties. The company continues to hold a 25% working interest in four oil wells and two gas wells (one active oil well, two suspended gas wells and three abandoned oil wells). Operations relating to the active and completed wells are conducted by Operator 2 and operations relating to the other wells are conducted by Operator 1.

On a monthly basis, the Company receives a joint interest billing from Operator 2 for its 25% share of revenue earned and operating expenses incurred. On a periodic basis, the Company receives a joint interest billing from Operator 1 for its 25% share of abandonment and reclamation costs incurred and any annual rental obligations.

(Expressed in Canadian dollars; Unaudited)

7. PETROLEUM AND NATURAL GAS PROPERTIES *(continued)*

On an annual basis, effective June 30th, the Company obtains an 'Evaluation of Interests' report from an independent company specializing in reserves evaluations for oil and gas companies. This report includes a NI 51-101 compliant estimate of the net present value of future net revenue (before income taxes) attributed to the proved plus probable reserves for the active oil well.

On June 1, 2020, in relation to proceedings under the Companies' Creditors Arrangement Act (the "Act"), an Order (the "CCAA Initial Order") was granted by the Court of the Queen's Bench of Alberta (the "Court") pursuant to the Act granting Operator 2 various relief including but not limited to, the imposition of an initial stay of proceedings against Operator 2 and its assets through to June 11, 2020, subsequently extended until October 30, 2020. Pursuant to the CCAA Initial Order, (i) Operator 2 is to continue to carry on business in a manner consistent with the commercially reasonable preservation of its business while it considers and pursues restructuring alternatives; and (ii) any claims against Operator 2 in relation to obligations arising prior to June 1, 2020 are suspended and creditors are prohibited from continuing or taking any actions or exercising any rights in relation thereto. On July 24, 2020, the Court approved a sales and investment solicitation, and the oil properties were sold to a third party during the quarter ending March 31, 2021. On February 11, 2021, the Company entered into a quitclaim, surrender, conveyance and assignment of interest with respect to three abandoned gas wells and made a payment of $14,566 to satisfy any and all obligations, including decommissioning obligations.

The suspended gas well did not receive any interest from potential buyers and has therefore been sent to the Orphan Well Association of Saskatchewan by the receiver. The active oil well is anticipated to return to production or to be sold to the same third-party buyer.

As of December 31, 2022, $2,331 (December 31, 2021 - $2,331) receivable from Operator 2 was included in prepaid expenses and deposits.

The decommissioning obligation is estimated based on the Company's working interest in wells that have not been reclaimed, the estimated cost to abandon and reclaim the wells and the estimated timing of the costs to be incurred in future periods. The Company estimates the undiscounted cash flows related to its decommissioning obligation is approximately $83,010 (June 30, 2021 - $77,988). The properties that remain subject to decommissioning obligations are the gas well sent to the Orphan Well Association of Saskatchewan and the active oil well. The fair value of this obligation was calculated using risk free rates between 0.93% to 1.65% (2021 – 0.74% to 1.96%), an inflation rate between 2.00% to 7.01% (2021 – 1.81% to 4.38%) and the expectation of being fully abandoned by 2036. The estimated decommissioning obligation as at June 30, 2022 and December 31, 2022 is as follows:

Balance, June 30, 2021 and December 31, 2021	60,155
Change in estimated decommissioning obligation	7,705
Balance, June 30, 2022 and December 31, 2022	**$ 67,860**

(Expressed in Canadian dollars; Unaudited)

8. SHARE CAPITAL

a. Authorized

As at December 31, 2022, the authorized share capital was comprised of an unlimited number of common shares without par value. These common shares have voting rights.

b. Share issuances

On July 21, 2022, the Company completed a non-brokered private placement by issuing 30,748,000 units (each a “Unit”) at a price of $0.05 per Unit for gross proceeds of $1,537,400 (the "Offering"). Each Unit consists of one common share and one-half common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.10 for a period of 24 months from the closing date of the Offering. The Company incurred share issue costs of $30,803 in connection with this financing, of which $14,422 was incurred during the year ended June 30, 2022. The private placement involved subscription receipts of which $831,604 was received during the year ended June 30, 2022.

c. Share Purchase Option Compensation Plan

The Company established a 10% rolling stock option plan (the "Stock Option Plan") whereby the Board of Directors may from time to time grant options to individual eligible directors, officers, employees or consultants. The maximum term of any option is five years. The exercise price of an option is not less than the closing price on the last trading day preceding the grant date, less allowable discounts in accordance with the policies of the Exchange. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options granted under the Stock Option Plan are subject to a vesting schedule whereby 25% of each option will vest on the grant date and 25% will vest on each of the three month anniversaries of the date of grant, up to and including the end of the first year after such grant, or such other more restrictive vesting schedule as the administrator of the Stock Option Plan may determine.

On September 9, 2022, the Company granted 3,895,000 options under the Company’s Stock Option Plan to certain directors, officers and consultants, with each option representing the right to receive one common share of the Company upon vesting, exercisable at a price of $0.065. The options will vest as to 25% on the date of grant, and a further 25% on the three, six and nine-month anniversaries of the date of grant. The options will expire on September 9, 2024.

A continuity of options for the six months ended December 31, 2022 is as follows:

Expiry date	Exercise price ($)	June 30, 2022	Issued	Expired	December 31, 2022
December 1, 2022	0.085	2,955,000	-	(2,955,000)	-
August 4, 2023	0.195	1,000,000	-	-	1,000,000
September 9, 2024	0.065	-	3,895,000	-	3,895,000
Options outstanding		3,955,000	3,895,000	(2,955,000)	4,895,000
Options exercisable at December 31, 2022		3,955,000	1,947,500	(2,955,000)	2,947,500
Weighted average exercise price		$ 0.11	$ 0.065	$ 0.085	$ 0.09

(Expressed in Canadian dollars; Unaudited)

8. SHARE CAPITAL *(continued)*

c. Share Purchase Option Compensation Plan, *(continued)*

The following assumptions were used in the Black Scholes Option Pricing Model to estimate the fair value of the options:

	December 31, 2022	December 31, 2021
Risk-free interest rate	3.58%	0.66%
Expected stock price volatility	130%	172%
Expected option life in years	2	2
Expected dividend in yield	N/A	N/A
Forfeiture rate	N/A	N/A

A continuity of options for the year ended June 30, 2022 is as follows:

Expiry date	Exercise price ($)	June 30, 2021	Issued	Expired	June 30, 2022
February 27, 2022	0.12	1,200,000	-	(1,200,000)	-
December 1, 2022	0.085	2,955,000	-	-	2,955,000
August 4, 2023	0.195	-	1,000,000	-	1,000,000
Options outstanding		4,155,000	1,000,000	(1,200,000)	3,955,000
Options exercisable at June 30, 2022		4,155,000	1,000,000	(1,200,000)	3,955,000
Weighted average exercise price		$ 0.10	$ 0.195	$ 0.12	$ 0.11

The weighted average remaining life of the outstanding options as a December 31, 2022 is 1.47 years (June 30, 2022 – 0.59 year).

d. Warrants

Expiry date	Exercise price ($)	June 30, 2022	Issued	Expired	December 31, 2022
June 8, 2023	0.27	9,875,288	-	-	9,875,288
July 21, 2024	0.10	-	15,374,000	-	15,374,000
		9,875,288	15,374,000	-	25,249,288
Weighted average exercise price		$ 0.27	$ 0.10	$ -	$ 0.17

The weighted average remaining life of the outstanding warrants as December 31, 2022 is 1.12 years (June 30, 2022 – 0.94 year).

(Expressed in Canadian dollars; Unaudited)

8. SHARE CAPITAL *(continued)*

e. Finder's warrants

Expiry date	Exercise price ($)	June 30, 2022	Issued	Expired	December 31, 2022
June 8, 2023	0.18	374,146	-	-	374,146
		374,146	-	-	374,146
Weighted average exercise price		$ 0.18	$ -	$ -	$ 0.18

The weighted average remaining life of the outstanding finder's warrants as December 31, 2022 is 0.44 year (June 30, 2022 – 0.94 year).

9. GENERAL AND ADMINISTRATIVE EXPENSES

The components of general and administrative expenses are as follows:

For the six months ended	December 31, 2022	December 31, 2021
Investor relations	$ 38,848	$ 69,820
Professional fees	100,196	194,480
Regulatory and filing fees	15,692	13,714
Insurance	20,429	13,705
Other	21,498	24,094
	$ 196,663	$ 315,813

10. RELATED PARTY TRANSACTIONS

Payments to related parties were made in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand. All outstanding balances are unsecured, and there are no commitments or guarantees associated with the outstanding balances.

Key management personnel compensation includes all compensation paid to executive management and members of the board of directors of the Company.

(Expressed in Canadian dollars; Unaudited)

10. RELATED PARTY TRANSACTIONS *(continued)*

Related party transactions and liabilities:

		Six months ended		As at	
	Services / Loans	December 31, 2022	December 31, 2021	December 31, 2022	June 30, 2022
Amounts due to:					
Directors & officers	Share-based payment	$ 68,332	$ 81,249	$Nil	$Nil
A private company of which the Chief Financial Officer of the Company is a shareholder [(a)]	Accounting and management fees	$ 36,000	$ 35,044	$ 16,800	$ 11,550
TOTAL:		$ 104,332	$ 116,293	$ 16,800	$ 11,550
Shareholders' loans due to:					
Director, Chief Executive Officer [(b)]	Shareholder's loan (note 6)	$ 135,000	$Nil	$ 135,000	$Nil

(a) Robert Doyle was appointed as the Chief Financial Officer effective December 1, 2020.
(b) Wes Adams was appointed as the Chief Executive Officer effective December 1, 2020.

11. PREPAID EXPENSES AND DEPOSITS

As of December 31, 2022, the Company had $9,680 (June 30, 2022 - $200,050) in prepaid expenses and deposits.

	December 31, 2022	June 30, 2022
Insurance	$ 2,349	$ 7,048
Advisory services	5,000	40,294
Deposits	2,331	152,708
	$ 9,680	$ 200,050

12. FINANCIAL INSTRUMENTS

The fair value of the Company's cash, accounts payable and accrued liabilities and shareholders' loans approximate their carrying values due to their current nature.

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

(a) Currency risk

The Company's property interests in the United States made it subject to foreign currency fluctuations and inflationary pressures which may have adversely affected the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. As at December 31, 2022, accounts payable and accrued liabilities included accounts totaling approximately US$195,164.

(b) Credit risk

The Company's cash is held in a Canadian financial institution.

On a monthly basis, the Company receives a joint interest billing from Operator 2. To the extent that the Company's cumulative share or petroleum revenue exceeds (is less than) the related operating expenses, the Company has a receivable from (a payable to) Operator 2. As at December 31, 2022, prepaid expenses and deposits included $2,331 (June 30, 2022- $2,331) receivable from Operator 2. (Note 11)

Accordingly, the Company believes it is not exposed to significant credit risk.

(c) 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 through the management of its capital structure and periodic financial support from management. Accounts payable and accrued liabilities of $264,330 are due within the current operating year. As at December 31, 2022, the Company had cash of approximately $21,360 to meet these obligations.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest bearing debt.

(e) Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities. Prices received by the Company for its share of petroleum production are largely beyond the Company's control as oil and gas prices are impacted by world economic events that dictate the levels of supply and demand. A 1% change in price will increase/decrease net income (loss) by an immaterial amount.

The Company did not have any commodity price contracts in place as at or during the six months ended December 31, 2022.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

(Expressed in Canadian dollars; Unaudited)

12. FINANCIAL INSTRUMENTS *(continued)*

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The following table sets forth the Company's financial assets classified as subsequently measured at amortized cost as at December 31, 2022 and June 30, 2022.

As at December 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash	$ 21,360	$ -	$ -	$ 21,360
Reclamation bond	61,858	-	-	61,858
Liabilities:				
Accounts payable and accrued liabilities	$ 264,330	$ -	$ -	$ 264,330
Restoration provision	4,005	-	-	4,005

As at June 30, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash	$ 676,889	$ -	$ -	$ 676,889
Reclamation bond	58,853	-	-	58,853
Liabilities:				
Accounts payable and accrued liabilities	$ 300,097	$ -	$ -	$ 300,097
Restoration provision	4,005	-	-	4,005

There has been no change between levels during the period.

13. MANAGEMENT OF CAPITAL RISK

The Company manages its shareholders' equity as 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 development of its mineral and oil and gas properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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, issue new debt, acquire or dispose of assets or adjust the amount of cash and short-term investments.

(Expressed in Canadian dollars; Unaudited)

13. MANAGEMENT OF CAPITAL RISK *(continued)*

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company is not subject to any externally imposed capital restrictions. There has been no change in the Company's capital management during the period.

14. SEGMENTED INFORMATION

The Company operates in two industry segments, being petroleum and natural gas production and acquisition and exploration of mineral properties. The Company's assets and liabilities are held within Canada and the USA as follows:

			December 31, 2022
	Canada	**USA**	**Total**
Current assets	$ 34,164	$ 9,525	$ 43,689
Exploration and evaluation assets	-	3,948,609	3,948,609
Reclamation bond	6,328	55,530	61,858
Total liabilities	$ 462,237	$ 205,346	$ 667,583

			June 30,2022
	Canada	**USA**	**Total**
Current assets	$ 815,638	$ 77,303	$ 892,941
Exploration and evaluation assets	-	2,206,834	2,206,834
Reclamation bond	6,020	52,833	58,853
Total liabilities	$ 363,439	$ 8,523	$ 371,962

15. SUBSEQUENT EVENT

On February 9, 2023, the Chief Executive Officer and a director of the Company advanced US$250,000 to the Company, in addition to the US$100,000 advanced to the Company on November 17, 2022. On February 10, 2023, the Company signed a Promissory Note to pay to the Holder an aggregate of US$350,000, on or before 12 months from the date of execution of the Promissory Note, with interest calculated at a rate of 2.0% per annum on any unpaid Principal, such interest to be calculated daily in arrears and payable on the Maturity Date. (Notes 6 & 9)