Annual Report

President's Message

Dear Shareholders;

CANEX Metals is pleased to report substantial progress at the Company's Gold Range property, located in the tier one mining jurisdiction of Northern Arizona. This district is emerging as an important near surface oxide heap-leach style bulk-tonnage gold opportunity. During 2023 CANEX consolidated the project through the purchase of the Excelsior Mine Property giving CANEX 100% ownership of the Excelsior oxide gold deposit along with significant surface infrastructure. The Excelsior Zone is the most advanced gold deposit along the 4-kilometre gold trend and is showing good potential for high grade heap-leach style mineralization, returning 35.1 metres grading 1.6 g/t gold, 24.2 metres grading 2.2 g/t gold, and 4.6 metres grading 8.2 g/t gold in reverse circulation drilling.

During 2023 CANEX announced two significant gold discoveries from drilling on the Gold Range Property. In January 2023 the Company announced a new gold discovery at the Shaft Zone with drilling returning 27.4 metres grading 1.1 g/t gold. In May 2023 the Company announced a new discovery at WestGold with drilling returning 35 metres grading 0.7 g/t gold, including 7.6 metres grading 2.5 g/t gold. Subsequent surface work at the WestGold Target indicates potential for a sizable near surface zone of oxide gold mineralization.

In early 2024 CANEX entered into a low-cost option agreement to acquire a 100% interest in the Louise Copper-Gold Porphyry deposit in British Columbia. Louise is an advanced copper-gold porphyry with a historic resource that is road accessible and has considerable untested exploration upside. Previous drilling has returned strong grades including 158 metres grading 0.41% copper and 0.40 g/t gold and 204 metres grading 0.37% copper and 0.35 g/t gold. The project has low initial option costs and no expenditure commitments providing shareholders with a low-risk high-potential opportunity to benefit from a strengthening copper market.

During the coming year, the Company intends to advance low-cost surface work at both the Gold Range and Louise Projects to define high quality drill targets that are ready for testing as the market strengthens. CANEX intends to remain focused on these two exciting projects, both with proven zones of strong mineralization, and excellent exploration upside.

Respectfully submitted on behalf of the Board of Directors

"Shane Ebert"

Shane Ebert, Ph.D., P.Geo.
President

CANEX Metals Inc.

Consolidated Financial Statements

(Expressed in Canadian Dollars)

September 30, 2023 and 2022

Contents

Tel: 403 266 5608
Fax: 403 233 7833
www.bdo.ca

BDO Canada LLP
903 – 8th Avenue SW, Suite 620
Calgary AB T2P 0P7
Canada

Independent Auditor's Report

To the Shareholders of CANEX Metals Inc.:

Opinion

We have audited the consolidated financial statements of CANEX Metals Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at September 30, 2023 and September 30, 2022, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group incurred a net loss of $535,402 during the year ended September 30, 2023 and, as of that date, accumulated deficit of $17,570,272. These conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In

addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Impairment Indicator Assessment of Exploration and Evaluation Assets

Exploration and Evaluation Assets are carried at $5,053,585. Management is required to assess whether any facts and circumstances suggest that the carrying amount may exceed the recoverable amount at the end of each reporting period. If facts and circumstances were identified then an impairment test is required. The assessment of any facts and circumstances requires high levels of judgement and as such are significant to the audit. See Note 3e), 4a) and 8 to the consolidated financial statements.

How the matter was addressed in the audit

Our approach in addressing this matter included the following procedures, among others:

- Evaluate management's assessment of whether facts and circumstances exist and obtain evidence regarding management's conclusion on the facts and circumstances by reviewing historical data, historical expenditures, ownership of claims and standing, budgets and press releases;
- Obtained evidence to evaluate the completeness and accuracy of the information presented by management through review of press releases, invoice review and vouching, and disclosures in Management Discussion and Analysis.
- Reviewing the adequacy of the disclosures in the consolidated financial statements, including disclosures related to significant judgments and estimates.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis for the year ended September 30, 2023.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is John Leavitt.

BDO Canada LLP

Chartered Professional Accountants
Calgary, Alberta
December 15, 2023

CANEX Metals Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)
As at September 30

		2023		2022
ASSETS				
Current Assets				
Cash (Note 5)	**$**	**695,912**	$	1,458,563
Accounts receivable (Note 6)		**6,197**		6,300
Prepaid expenses		**36,107**		36,209
Short-term investments (Note 7)		**89,842**		309,842
	$	**828,058**	$	1,810,914
Non-current Assets				
Exploration and evaluation asset advances and deposits (Note 8)		**42,966**		42,966
Exploration and evaluation assets (Note 8)		**5,053,585**		3,913,041
	$	**5,096,551**	$	3,956,007
TOTAL ASSETS	**$**	**5,924,609**	$	5,766,921
EQUITY AND LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities (Note 9)		**59,868**		93,180
	$	**59,868**	$	93,180
Non-current Liabilities				
Decommissioning obligation (Note 10)		**38,380**		51,906
TOTAL LIABILITIES	**$**	**98,248**	$	145,086
EQUITY				
Share capital (Note 11)		**21,135,858**		20,431,391
Reserves		**2,260,775**		2,225,314
Deficit		**(17,570,272)**		(17,034,870)
TOTAL EQUITY		**5,826,361**		5,621,835
TOTAL EQUITY AND LIABILITIES	**$**	**5,924,609**	$	5,766,921

Nature of operations and continuance of operations (Note 1)
Subsequent events (Note 22)

Approved by the Board

"Shane Ebert" **Director**

"Jean-Pierre Jutras" **Director**

See accompanying notes to consolidated financial statements.

CANEX Metals Inc.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)
For the years ended September 30

		2023		2022
Expenses				
General and administrative (Note 13)	**$**	**(405,043)**	$	(638,669)
Reporting to shareholders		**(20,720)**		(19,493)
Professional fees		**(55,210)**		(42,268)
Stock exchange and transfer agent fees		**(13,734)**		(12,768)
Pre-acquisition expenditures		**(3,381)**		
Loss before other items		**(498,088)**		(713,228)
Other items				
Dividend income		**-**		231,232
Interest and other		**24,287**		3,127
(Loss) gain from short-term investments		**(61,601)**		(302,493)
		(37,314)		(68,134)
Net loss and comprehensive loss for the year	**$**	**(535,402)**	$	(781,362)
Basic and diluted loss per share (Note 15)	**$**	**(0.01)**	$	(0.01)
Weighted average shares outstanding - basic and diluted (Note 15)		**100,333,142**		80,617,331

See accompanying notes to the consolidated financial statements.

CANEX Metals Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the years ended September 30

	2023	2022
Increase in cash and cash equivalents		
Operating activities		
Cash paid to suppliers and contractors (Note 18)	**$ (465,706)**	$ (528,571)
Cash used in operating activities	**(465,706)**	(528,571)
Investing activities		
Interest and other items (expended) received	**24,287**	3,127
Cash received on sale of short-term investments	**158,399**	238,583
Cash expended on exploration and evaluation assets (Note 18)	**(1,058,071)**	(2,066,388)
Cash expended on exploration advances and deposits	**-**	(5,092)
Cash expended on decommissioning obligation	**(13,526)**	-
Cash used by investing activities	**(888,912)**	(1,829,770)
Financing activities		
Share capital and warrant issue proceeds	**600,000**	2,500,021
Options exercised	**-**	24,000
Warrants exercised	**-**	112,670
Cash share issuance and transaction costs	**(8,033)**	(17,886)
Cash provided by financing activities	**591,967**	2,618,805
Increase in cash and cash equivalents	**(762,651)**	260,464
Cash, beginning of period	**1,458,563**	1,198,099
Cash, end of period	**$ 695,912**	$ 1,458,563

See accompanying notes to the consolidated financial statements.

CANEX Metals Inc.

Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)
As at September 30

	Common share capital	Reserves: Equity settled share based payments	Reserves: Warrants	Reserves: Other Reserves*	Reserves: Total Reserves	Deficit	Total
	$	$	$	$	$	$	$
Balance, September 30, 2021	**17,789,834**	**222,157**	**794**	**1,886,077**	**2,109,028**	**(16,253,508)**	**3,645,354**
Net and comprehensive loss for the year	-	-	-	-	-	(781,362)	(781,362)
Warrants exercised - April 2022	40,000	-	-	-	-	-	40,000
Options issued – May 2022	-	139,038	-	-	139,038	-	139,038
Share issuance – May 2022	2,500,021	-	-	-	-	-	2,500,021
Warrants exercised – May 2022	10,666	-	-	-	-	-	10,666
Warrants exercised – June 2022	62,798	-	(794)	-	(794)	-	62,004
Options exercised – June 2022	45,958	(21,958)	-	-	(21,958)	-	24,000
Options expired – July 2022	-	(28,819)	-	28,819	-	-	-
Share issuance costs	(17,886)	-	-	-	-	-	(17,886)
Balance, September 30, 2022	**20,431,391**	**310,418**	**-**	**1,914,896**	**2,225,314**	**(17,034,870)**	**5,621,835**
Net and comprehensive loss for the year	-	-	-	-	-	(535,402)	(535,402)
Shares issuance – Property acquisition (Note 8)	112,500	-	-	-	-	-	112,500
Share issuance – April 2023	600,000	-	-	-	-	-	600,000
Options issued – May 2022	-	24,105	-	-	24,105	-	24,105
Options issued – July 2023	-	11,356	-	-	11,356	-	11,356
Share issuance costs	(8,033)	-	-	-	-	-	(8,033)
Balance, September 30, 2023	**21,135,858**	**345,879**	**-**	**1,914,896**	**2,260,775**	**(17,570,272)**	**5,826,361**

*Other reserves is comprised of the aggregate of options and warrants that expired or were fully vested and forfeited without exercise. These values were relieved from common share capital, share based payment reserve and warrants reserve respectively upon the expiry of the equity instrument.

See accompanying notes to the consolidated financial statements

1. Nature of operations and continuance of operations

CANEX Metals Inc. ("CANEX" or the "Company") is engaged in the business of mineral exploration and development in Canada. The Company was originally incorporated under the laws of the Province of Quebec, Canada and has been continued under the Alberta Business Corporations Act, Canada. The address of its primary office is Suite 1620, 734-7th Avenue SW, Calgary, Alberta, Canada, T2P 3P8. The Company's common shares are listed on the TSX Venture Exchange under the trading symbol CANX.

Since inception, the efforts of the Company have been devoted to the acquisition, exploration and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether its mineral exploration properties contain ore reserves that are economically recoverable.

The Company incurred a net loss of $535,402 during the year ended September 30, 2023. The Company has a deficit of $17,570,272 at September 30, 2023 and a working capital surplus of $768,190. Operating expenses beyond September 30, 2024, increases in expenditures over budget for the twelve month period ended September 30, 2024, exploration programs and new property acquisitions will require additional financing. There can be no assurance that the Company will be successful in obtaining financing. These material uncertainties cast significant doubt on the Company’s ability to continue as a going concern. These financial statements do not include any adjustments which could be significant should the Company be unable to continue as a going concern.

2. Basis of presentation

a) Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretations Committee ("IFRIC"), effective for the periods ended September 30, 2023 and 2022, using the significant accounting policies outlined in Note 3. The consolidated statements were authorized for issue by the board of directors on December 15, 2023.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments described in Note 12 and decommissioning obligation described in Note 10. In addition, these statements have been prepared using the accrual basis of accounting except for cash flow information.

The presentation and functional currency of the Company is the Canadian dollar.

b) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned US subsidiary, Canexco Inc. (“Canexco”). Canexco was incorporated by the Company on June 5, 2019 in Arizona, USA, to conduct its exploration and development business in the USA, (refer to Note 8 - “Exploration and evaluation assets” for more information). All intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are those entities that the Company controls through its power to govern the financial and operating policies of the subsidiary. Subsidiaries are fully consolidated from the date control is obtained and are de-consolidated from the date control ceases.

3. Significant accounting polices

a) New accounting policies

CANEX did not adopt any new accounting policies during the year ended September 30, 2023

b) Financial Instruments

The Company's financial instruments consist of the following:

Financial Assets	**Classification**
Cash	Financial asset measured at amortized cost
Accounts receivable	Financial asset measured at amortized cost
Short-term investments	Financial asset measured at fair value

Financial Liabilities	**Classification**
Accounts payable and accrued liabilities	Financial liabilities measured at amortized cost

The Company records financial assets initially at fair value and subsequently measures these financial assets at either amortized cost or fair value on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost if both of the following conditions are met:

1) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If the financial asset is not measured at amortized cost as per the above, the financial asset is measured at fair value.

Financial assets measured at fair value
Financial assets measured at fair value are carried at fair value at each period end, with the related gains and losses recognized in profit or loss. The sale of equity investments is accounted for using trade date accounting.

Financial assets measured at amortized cost
Financial assets measured at amortized cost are recorded at fair value upon initial recognition, plus any applicable transaction costs that are directly attributable to the acquisition of the financial asset, and subsequently carried at amortized cost, using the effective interest method. A gain or loss on a financial asset that is measured at amortized cost is recognized in profit or loss when the financial asset is derecognized, impaired, or reclassified.

Financial liabilities measured at amortized cost
Financial liabilities measured at amortized cost are recorded at fair value upon initial recognition, less any applicable transaction costs that are directly attributable to the acquisition of the financial liability, and are subsequently measured at amortized cost using the effective interest method. A gain or loss on a financial liability that is measured at amortized cost is recognized in profit or loss when the financial liability is derecognized.

3. Significant accounting polices (continued)

b) Financial Instruments (continued)

Impairment of financial assets
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost using the “simplified method”. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss as an impairment gain or loss, the amount of expected credit losses that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

The carrying amount of financial assets is reduced by any impairment loss directly except in the case of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of accounts receivable previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in earnings.

If, in a subsequent period, the amount of the impairment loss decreases for financial assets except accounts receivable, and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined had no impairment loss been recognized in prior years.

Cash
Cash includes cash held in Canadian dollar and US dollar current accounts, highly liquid Canadian dollar denominated investments in bankers’ acceptances or term deposits, with terms to maturity of 90 days or less when acquired and cash held in short-term investment accounts. The counter-parties are financial institutions.

c) Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation discounted using the pre-tax, risk-free rate, updated at each reporting date.

d) Decommissioning obligation

Decommissioning obligation includes obligations related to future removal of property and equipment, and site restoration costs. A liability, for the fair value of environmental and site restoration obligations, is recorded in accordance with the broader policy described in "c) Provisions" above. Provisions for restoration costs do not include any additional obligations that are expected to arise from future disturbance. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to earnings in a systematic manner. Other movements in the provision, including those from new disturbance, updated cost estimates, changes to the lives of operations and revisions to discount rates are capitalized to exploration and evaluation assets. The amounts included in capitalized costs are depleted using the unit-of-production method at such point that the mineral property achieves commercial production, or the costs will be written-off at such time that management considers that the value of the related property has been impaired.

3. Significant accounting polices (continued)

e) Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties. The Company capitalizes costs directly related to the acquisition, exploration and evaluation of mineral properties. Such costs include, but are not restricted to, geological, geophysical, drilling, trenching and sampling costs including the support costs and supplies required in relation thereto. These assets are recorded at cost as adjusted for impairments in value. Impairment is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. In assessing impairment, exploration and evaluation assets are grouped into Cash Generating Units ("CGU's"), on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest and a CGU.

Exploration and evaluation assets are reviewed for impairment if there is an indication that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of "value in use" (being the net present value of expected future cash flows of the relevant cash generating unit ("CGU"), or "fair value less costs to sell". Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Company could receive for the assets in an arm's length transaction.

The discount rate applied in calculating net present value of expected future cash flows, is based upon pre-tax discount rates that reflect current market assessments of the time value of money and the risks associated with the relevant cash flows, to the extent that such risks are not reflected in the forecasted cash flows.

If the carrying amount of the asset exceeds its recoverable amount, the asset impairment loss is charged to earnings and reduces the carrying amount of the asset. A previously recognized impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally precipitated the impairment. This reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior years.

An impairment loss may be reversed in a situation where there is a change in the circumstances that had initially dictated that an impairment had occurred. An example of such a situation might include, but not be limited to, the re-commencement of exploration activity on a mineral property due to a significant change in commodity prices.

Although not an exhaustive list, one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

3. Significant accounting polices (continued)

e) Exploration and evaluation assets (continued)

Where the Company's exploration commitments for a CGU are performed under option agreements with a third party, the proceeds of any option payments under such agreements are applied to the CGU to the extent of costs incurred. The excess, if any, is credited to operations. Option payments made by the Company are recorded as exploration and evaluation assets. Options are exercisable entirely at the discretion of the optionee and accordingly, are recorded as exploration and evaluation assets or recoveries when the payments are made or received. The proceeds on the sale of exploration and evaluation assets are applied to the area of interest to the extent of costs incurred and the excess, if any, is credited to operations. In some circumstances option payments received by or made by the Company are made in whole or in part through the issuance of common shares. The value of these share-based payments is calculated using the closing price of the shares on the date of issue as determined by the public exchange upon which they are listed as this is the most readily determinable value. When the Company enters the development stage for a CGU, the exploration and evaluation costs are transferred into mine development costs and all subsequent expenditures on the construction, installation or completion of infrastructure net of incidental revenue, is capitalized. Upon commencement of commercial production, all mine development assets for the relevant CGU are transferred to producing mine assets at which point the costs will commence being charged to earnings on a unit-of-production basis.

f) Equipment

On initial recognition, equipment assets are valued at cost, being the purchase price plus the directly attributable costs of acquisition to bring the assets to the location and condition necessary for the assets to be put into use. Subsequent to acquisition, these assets are recorded at cost less accumulated depreciation. Depreciation methods and rates by significant categories of property and equipment that are calculated to write off the cost of the assets, less estimated residual values, over their useful lives. The method and rates used by category are as follows:

	Depreciation method	Depreciation rate
Computer equipment and software	Declining balance	50%

Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Changes to estimated residual values or useful lives are accounted for prospectively as a change in estimates.

Equipment is reviewed for impairment if there is an indication that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of "value in use" (being the net present value of expected future cash flows of the relevant cash generating unit ("CGU"), or "fair value less costs to sell"). Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Company could receive for the assets in an arm's length transaction.

When calculating "value in use", the discount rate applied in calculating net present value of expected future cash flows, is based upon pre-tax discount rates that reflect current market assessments of the time value of money and the risks associated with the relevant cash flows, to the extent that such risks are not reflected in the forecasted cash flows.

If the carrying amount of the asset exceeds its recoverable amount, the asset impairment loss is charged to earnings and reduces the carrying amount of the asset. A previously recognized impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally precipitated the

3. Significant accounting polices (continued)

f) Equipment (continued)

impairment. This reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior years.

Gains or losses on disposals of equipment are determined by comparing the proceeds with the carrying amount of the asset and are included in other gains and losses in the statements of loss and comprehensive income loss.

g) Gains and losses on short-term investments

The Company maintains an investment portfolio of publicly traded securities. These investments are recorded at fair value at year end and differences are recorded in income.

h) Foreign currencies

Both the presentation currency and functional currency of the Company is the Canadian dollar. The functional currency of its wholly owned US subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each financial statement reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the date of the statements of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items that are carried at fair value and were measured in a foreign currency are translated at the rate prevailing at the date when the fair value was determined. Foreign exchange gains and losses on the foregoing transactions are recorded in profit or loss.

i) Share-based payment transactions

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in the equity-settled share based payment reserve in equity. Employees, for the purpose of this calculation, also include individuals who provide services similar to those performed by a direct employee, including directors and consultants of the Company. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. Consideration received on the exercise of stock options is recorded as share capital and the related equity-settled share based payment amount is transferred to share capital. If options expire or are cancelled without being exercised, the value associated therewith is transferred from equity-settled share based payment reserve to other reserves.

j) Loss per share

Basic loss per common share is computed by dividing the net earnings loss attributable to common shareholders by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. Only “in-the-money” dilutive instruments impact the dilution calculations and potentially dilutive instruments shall only be treated as dilutive when their conversion increases loss per share. Refer to Note 11 for a summary of options and warrants outstanding that could potentially dilute basic earnings per share in the future, but were excluded from the calculation in the periods disclosed because their effect was anti-dilutive**.** Refer to Note 15 for calculations of loss per share.

3. Significant accounting polices (continued)

k) Income taxes

Income tax on net earnings or loss for the periods presented is comprised of current and deferred tax as applicable. Tax on income in interim periods is accrued using the tax rate that would be applicable to expected total annual earnings. Income tax pertaining to earnings or loss is recognized in earnings or loss; income taxes pertaining to items recognized directly in equity is recorded through equity. Current tax is the tax expected to be payable on the taxable income for the year calculated using rates that have been enacted or substantively enacted by the balance sheet date. It includes adjustments for tax expected to be payable or recoverable in respect of previous periods.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill, not deductible for tax purposes, and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax assets are only recognized to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilized.

l) Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (a) the Company has elected not to recognize right-of-use assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (b) for leases of low value or (c) . The payments for such leases are recognized in the consolidated statement of loss and comprehensive loss on a straight-line basis over the lease term. The Company leases office space pursuant to an office operating cost recovery arrangement. The terms of the contract are such that the right to control the asset has not been established and therefore the rental payments are recognized as an expense on a straight-line basis over the term of the lease.

m) Valuation of equity units issued in private placements

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares and warrants are classified as equity instruments. The fair value of common share units issued in private placements is measured using the closing bid price on the announcement date. The full amount of each share unit is allocated to share capital; the Company does not value warrants separately with respect to the measurent of shares and warrants issued as private placement units.

4. Critical accounting judgments and estimates

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. Circumstances and changes in assumptions could arise over the years that would require material revisions to these estimates.

4. Critical accounting judgments and estimates (continued)

These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Adjustments resulting from revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

a) Exploration and evaluation assets

The carrying values of exploration and evaluation assets and property and equipment that are included in the Consolidated Statements of Financial Position, include the assumptions that are incorporated into the impairment assessments, and the amount of depreciation and/or impairments that are included in the Consolidated Statements of Loss and Comprehensive Loss.

In assessing whether an impairment loss should be recorded on Exploration and Evaluation Assets, management considers the four factors outlined in Note 3 e) to the consolidated financial statements. A number of assumptions are required in making valuation assessments including, mineral prices, continued exploration activity in the surrounding areas increasing the likelihood of being able to option out the property, and the availability of future financing to further develop the property failing the optioning out of the property. As the properties of the Company are at the exploration and evaluation level, they are not yet at the stage where there are assessments of possible or probable reserves. Consequently any estimates of value of the properties may require judgements and estimates.. There is a risk that: 1) the properties could have little or no value if exploration activities on the property and in the surrounding areas cease, 2) prices will not be high enough to make extraction, regardless of quantities, economical or, 3) the Company will be unable to acquire future financing to enable exploration before the claims expire.

b) Decommissioning obligations

The amount of decommissioning obligations and the inputs used in determining the net present value of the liabilities for decommissioning obligations included in the Consolidated Statements of Financial Position are estimated and incorporate assumptions made by management of interest rates and future inflation rates.

c) Share-based compensation

The value of share-based compensation expense in the Consolidated Statements of Loss and Comprehensive Loss included in the Consolidated Statements of Financial Position, are valued using valuation models and incorporate assumptions made by management of stock volatility, interest rates and exercise periods.

d) Functional currency

Management has assessed the functional currency to be the Canadian dollar when recording the transactions of its wholly owned subsidiary. In accordance with IAS 21, a number of factors are considered in determining the functional currency of an entity. When indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(Expressed in Canadian Dollars)

5. Cash

Cash is comprised of:

		Sept 30, 2023		Sept 30, 2022
Current bank accounts	$	**688,000**	$	1,440,507
Cash held in foreign currencies		**7,912**		18,056
	$	**695,912**	$	1,458,563

6. Accounts receivable

		Sept 30, 2023		Sept 30, 2022
Due from related parties	$	**-**	$	18
Sales tax receivables		**6,197**		6,282
	$	**6,197**	$	6,300

7. Short-term investments

Spruce Ridge Resources Ltd. Common Shares	Number of shares		Carrying Value
Balance at September 30, 2021	5,633,500	$	619,686
Valuation adjustment – loss	-		(309,844)
Balance at September 30, 2022	5,633,500	$	309,842
Cost base of shares sold*	(4,000,000)		(361,668)
Valuation adjustment - (gain)	-		141,668
Balance at September 30, 2023	**1,633,500**	**$**	**89,842**

*On September 5, 2023, the Company sold 4,000,000 shares for net proceeds of $158,399 resulting in a realized loss on sale of $203,268.

The common shares of Spruce Ridge Resources Ltd., held at period end, were valued at their fair value, based on their respective period-end trading prices, at September 30, 2023 and 2022.

On October 22, 2021, Spruce Ridge declared a dividend in-kind of common shares of Canada Nickel that was payable on or before November 5, 2021. The dividend was paid on October 29, 2021, to shareholders of Spruce Ridge at the close of business on October 29, 2021, the record date. One Canada Nickel share was paid under the dividend declared for every 71.14 Spruce Ridge shares held. At October 29, 2021, the Company held 5,633,500 Spruce Ridge shares. As a result, the Company received a dividend of 79,189 Canada Nickel shares at $2.92 per share valued on October 29, 2021, for a total value of $231,232. During the year ended September 30, 2022, the Company sold 100% of its Canada Nickel holdings for net proceeds of $238,583, incurring a realized gain on the sale of $7,350.

8. Exploration and evaluation assets

Mineral properties are recognized in these financial statements in accordance with the accounting policies outlined in *Note 3 (e) "Exploration and evaluation assets"*. Accordingly, their carrying values represent costs incurred to date, net of recoveries, abandonments and impairments. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain necessary financing to complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests in its mineral exploration properties.

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued)

Gold Range Property, Arizona, USA

On June 11, 2019, the Company's wholly-owned subsidiary, Canexco Inc., entered into an arm's length Option Agreement to acquire a 100% interest in the Gold Range Property, Arizona, USA from a Prospector, the "Optionor". The Gold Range Property, under option, is comprised of three staked lode mineral claims with a total area of 61.98 acres and is located in Mohave County, Arizona, USA.

Under the terms of the agreement, the Company is committed to make options payments and minimum exploration expenditures totaling US$90,000 and US$80,000 over four years, respectively. On June 1, 2023 the Company completed its payment and expenditure obligations and the 100% earn in was complete. The Optionor will retain a 2% NSR, half of which can be bought back by the Company for US$500,000 and the remaining half can be bought back for US$1,000,000.

On February 24, 2020, the Company's wholly-owned subsidiary, Canexco Inc., entered into an arm's length Option Agreement to acquire a 100% interest in the Never Get Left Claim, Mohave County, Arizona, USA from Onyx Exploration Inc., the "Optionor" which is adjacent to the Company's Pit Zone target on the Gold Range Property. The Never Get Left Claim, under option, is comprised of one staked lode mineral claim with a total area of 20.99 acres and is located in Mohave County, Arizona, USA.

Under the terms of the agreement, the Company is committed to make options payments totaling US$90,000 ending February 24, 2024. On February 24, 2020, the Company paid US$10,000 ($13,397), on February 18, 2021, the Company paid US$15,000 ($19,063), on February 10, 2022, the Company paid US$15,000 ($18,993) and on February 7, 2023, the Company paid US$20,000 ($27,304) in accordance with the agreement. In addition, the Optionor will retain a 2% NSR, half of which can be bought back by the Company for US$500,000; the remaining half can be bought back for US$500,000. Finally, the Company must pay 10% of any profits realized from the processing and recovery of metals from the existing leach pad materials located within the Optionor's claim.

As at September 30, 2023, under the terms of the Agreement, the Company is committed to the following cash payments:

Due date	**Option Payments US$**
February 24, 2024	30,000
Total committed cash payments	30,000

The remaining committed option payment of US$30,000 would equate to $40,560 using the September 30, 2023 Bank of Canada exchange rate. An increase or decrease of 10% to the exchange rate would result in an increase or decrease in required option payments of $4,056.

On January 12, 2021, the Company and its wholly owned subsidiary, Canexco Inc., signed a Letter of Intent ("LOI") allowing the Company to earn into the Excelsior Mine Property ("the Property") from a private vendor over 3 stages. The definitive agreement was signed on June 2, 2021 and received TSXV approval on June 17, 2021. During stage 1, CANEX can earn a 25% interest in the Property by issuing 750,000 common shares of CANEX and spending US$500,000 on exploration. During stage 2, CANEX can earn 51% interest in the Property by issuing 1 million shares of CANEX, spending US$2,000,000 and paying a bonus payment equivalent to 1% of the gold price on recoverable gold equivalent ounces defined in the measured and indicated resource categories. Stages 1 and 2 must be completed by May 25, 2024. On June 25, 2021, the Company issued 750,000 common shares valued at $84,375, in accordance with the agreement and on November 11, 2022 issued 1,000,000 common shares valued at $112,500 in partial fullfillment of the commitment.

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued)

Gold Range Property, Arizona, USA (continued)

During stage 3 CANEX can earn a 90% interest in the Property by issuing 1,000,000 CANEX shares and spending US$2,000,000 on exploration and development including an economic study. To complete the stage 3 earn in, CANEX must make another bonus payment to the Vendors equivalent to 1.5% of the gold price on recoverable gold equivalent ounces defined in the proven and probable reserve categories.

CANEX has 2 years to complete the stage 3 earn in once Stage 2 is complete. Once CANEX has earned a 90% interest in the Property, the Vendors can elect to maintain their 10% ownership by contributing their 10% share to exploration and development or to give up 100% ownership to CANEX and revert to a 1.5% NSR.

As at September 30, 2023, under the terms of the Agreement, the Company is committed to the following share issuances and minimum exploration expenditures:

	Option payments (Common Shares)	Minimum exploration expenditures (US$)	Earn in on completion of obligation (%)
Stage 1	750,000	500,000	25
Stage 2	1,000,000	2,000,000	26
Stage 3	1,000,000	2,000,000	39
Total	2,750,000	4,500,000	90
Less obligations fulfilled to September 30, 2023	(1,750,000)	(1,759,053)	-
Total remaining commitments at September 30, 2023	1,000,000	2,740,947	

At September 30, 2023, the Company had not yet completed the exploration and development expenditures required under the option agreement. On August 31, 2023, the Company renegotiated, and both parties signed, an amending agreement, the terms of which are detailed in Note 22 – Subsequent events.

As at September 30, 2023, the Company holds 261 lode mining claims and 2 patented claims (1,504 hectares) in respect of the Gold Range Property, including acquisitions via the option agreements noted above as well as staking. The gross costs and impairments recorded to the Gold Range Property at September 30, 2023 are $5,053,585 and $Nil respectively (September 30, 2022 - $3,913,041 and $Nil).

Gibson Prospect, British Columbia

On April 4, 2017, the Company announced it had signed a Letter of Intent to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"), a wholly held subsidiary of Altius Minerals Corp. (TSX: ALS), which is an arm's length party. Gibson is 887 Ha in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The option purchase agreement (the "Agreement") was executed on May 12, 2017; and received Exchange approval on May 17, 2017. The Company also assumed the obligations of an underlying option agreement with Steven Scott, an arm's length party (the "underlying agreement").

Under the terms of the Agreement, the Company is committed to issue a maximum of 3,545,000 common shares to Altius in three stages plus incur minimum exploration expenditures up to $500,000 within 18 months, and make $90,000 in cash or share equivalent payments to Steven Scott.

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued)

Gibson Prospect, British Columbia (continued)

At September 30, 2023, the Company had issued, in tranches, 2,305,000 common shares to Altius valued at $161,350 and all commitments to Steve Scott contained in the underlying agreement had been fulfilled. Further commitments to Altius for minimum exploration expenditures and common share issuances have been deferred by letter agreement to August 30 2024.

As at September 30, 2021, the Company determined that further exploration of the Gibson Prospect would not be a priority unless a third party partner could be found to further the exploration program. However, the Company, will continue to hold property claims which will expire January 2029. Accordingly, the Company recorded an impairment of the full amount of exploration expenditures to September 30, 2021.

A summary of exploration and evaluation expenditures on the Arizona Gold Range property follows:

Year ended September 30,		**2023**		2022
Exploration expenditures:				
Balance, beginning of year	**$**	**3,419,909**	$	1,587,159
Geological consulting		**141,331**		214,979
Field costs		**8,040**		30,163
Equipment rental		**12,088**		1,932
Travel		**54,094**		89,319
Geophysical survey		**14,896**		-
Geochemical		**224,724**		535,707
Drilling		**368,568**		956,050
Resource evaluation		**31,144**		-
Decommissioning		**-**		4,600
Balance, end of year	**$**	**4,274,794**	$	3,419,909
Property acquisition costs:				
Balance, beginning of year	**$**	**493,132**	$	360,542
Costs incurred		**285,659**		132,590
Balance, end of year	**$**	**778,791**	$	493,132
Total Exploration and evaluation assets	**$**	**5,053,585**	$	3,913,041

From time to time the Company is required to advance amounts to service providers prior to their commencing exploration work on the mineral interest. The advance is applied to the invoiced services, generally through the final invoice. As these advances pertain to costs that form part of the long-term exploration and evaluation assets, they are classified as long-term. At September 30, 2023, the Company held $10,000 in respect of the Gibson Prospect and $32,966 in respect of the Gold Range Project in exploration and evaluation asset advances and deposits (September 30, 2022 - $10,000 and $27,874 respectively).

9. Accounts payable and accrued liabilities

		Sept 30, 2023		Sept 30, 2022
Trade payables	**$**	**8,903**	$	45,064
Due to related parties		**11,840**		20,615
Accrued liabilities		**39,125**		27,500
Commodity taxes payable		**-**		1
	$	**59,868**	$	93,180

(Expressed in Canadian Dollars)

10. Decommissioning obligation

Changes in the decommissioning obligation:

		Sept 30, 2023		Sept 30, 2022
Balance, beginning of year	$	**51,906**	$	47,306
Accretion		**-**		4,600
Expenditures		**(13,526)**		-
Balance, end of year	$	**38,380**	$	51,906

The provision noted above represents estimated costs to restore the Company's mineral property which includes the cost of filling trenches and revegetation as applicable. Management believes that there are no other significant legal and constructive obligations as at the respective year end dates for current and future decommissioning obligations. The year end present value of the decommissioning obligation was determined using a risk-free rate of 4.87% (September 30, 2022 – 3.79%). The estimated total undiscounted amount, using an inflation rate of 4.12% (September 30, 2022 – 6.84%) for the year ended September 30, 2023 is $41,508 (2022 - $52,908). The timing of future decommissioning costs is uncertain, as the costs will not be incurred until the Company gives up its legal right to explore the property or the current land use permits expire, at which time the reclamation has to have been completed.

11. Share capital, stock options and warrants

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding common share capital

	Shares	Value $
Balance, as at September 30, 2022	**94,486,567**	**20,431,391**
Shares issued for property – November 2022	1,000,000	112,500
Share issuance – April 2023	10,000,000	600,000
Share issuance costs	-	(8,033)
Balance, as at September 30, 2023	**105,486,567**	**21,135,858**

	Shares	Value $
Balance, as at September 30, 2021	**73,442,234**	**17,789,834**
Warrants exercised – April 2022	500,000	40,000
Share issuance – May 2022	19,230,927	2,500,021
Warrants exercised – May 2022	133,330	10,666
Warrants exercised – June 2022	780,076	62,798
Options exercised – June 2022	400,000	45,958
Share issuance costs	-	(17,886)
Balance, as at September 30, 2022	**94,486,567**	**20,431,391**

2023

On November 11, 2022, 1,000,000 common shares were issued in accordance with the Excelsior Mine Property option agreement. The share issuance was valued using the closing share price on the transaction date. (Note 8 - "Exploration and evaluation assets").

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)

On April 3, 2023, the Company closed a non-brokered private placement financing for 10,000,000 common shares at a price of $0.06 per share for gross proceeds of $600,000. Related parties, comprised of officers and directors, acquired 1,835,869 of the common shares issued.

During the period subsequent to the date of these financial statements there were no shares issued, and none cancelled and returned to treasury.

2022

On April 29, 2022, 500,000 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised for total proceeds of $40,000.

On May 27, 2022, the Company closed a non-brokered private placement financing of 19,230,927 units ("Common Units") at a price of $0.13 per Common Unit for gross proceeds of $2,500,021. Each Common Unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one common share at a price of $0.18 per share for a period to two years, May 27, 2024. After a 6-month non-callable period, the warrants will be subject to acceleration at the Company's discretion if at any time the Company's 20-day volume weighted average share price trades above $0.25.

On May 30, 2022, 133,330 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised for total proceeds of $10,666.

On June 2, 2022, 133,330 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised and 13,416 warrants exercisable at $0.05 per share, expiring June 6, 2022 were exercised, for total proceeds of $11,338.

On June 3, 2022, 633,330 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised for total proceeds of $50,666.

On June 29, 2022, 400,000 options exercisable at $0.06 per share, expiring July 6, 2022, were exercised for total proceeds of $24,000.

c) Stock options outstanding

	Number of options		Exercise
Expiry	**Sept 30, 2022**	Sept 30, 2022	Price
July 27, 2024	**1,575,000**	1,575,000	$0.15
September 23, 2024	**1,200,000**	1,200,000	$0.06
October 4, 2024	**710,000**	710,000	$0.055
May 1, 2027	**1,525,000**	1,525,000	$0.18
July 11, 2026	**400,000**	-	$0.06
	5,410,000	5,010,000	

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)

The Company has implemented a 10% Rolling Stock Option Plan whereby 10% of the issed shares will be reserved for issuance under the stock based compensation plan ("the Plan"). Under the Plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date on which the optionee ceases to be a director, officer, employee or consultant. The exercise price of the options granted under the Plan will not be less than that from time to time permitted under the rules of the stock exchange or exchanges on which the shares are then listed, which price reflects trading values at that time. All of the options outstanding at the respective period ends have vested other than 200,000 issued May 1, 2022 that will vest on May 1, 2024 and 150,000 issued on July 11, 2023 that will vest 50% on January 11, 2024 and the remainder on July 11, 2024. Further information regarding the valuation of the stock options issued during the year can be found at Note 14 – Share-based payment transactions.

d) Stock option transactions

	Number of options	Weighted average exercise price
Balance, September 30, 2022	5,010,000	$0.12
Issued	400,000	$0.06
Exercised	-	-
Expired	-	-
Balance, September 30, 2023	5,410,000	$0.12

	Number of options	Weighted average exercise price
Balance, September 30, 2021	4,410,000	$0.09
Issued	1,525,000	$0.18
Exercised	(400,000)	$0.06
Expired	(525,000)	$0.06
Balance, September 30, 2022	5,010,000	$0.12

During the period subsequent to the date of these financial statements, no stock options were issued nor expired and none were exercised.

e) Warrant transactions and warrants outstanding

The warrants summarized below may be exercised to acquire an equal number of common shares.

Year ended September 30, 2023

Exercise Price	Expiry	Balance Sept 30, 2022	Warrants Exercised	Warrants Issued	Balance Sept 30, 2023
$0.18	May 27, 2024	9,615,458	-	-	**9,615,458**

Subsequent to the date of these financial statements no warrants were issued and none expired, nor were exercised.

12. Financial instruments

Financial instruments recorded at fair value are classified using a fair value hierarchy that prioritizes the inputs to fair value measurements. The three levels of fair value are summarized below:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities either directly, (i.e. prices), or indirectly, (i.e. derived from prices); and
- Level 3 - Inputs that are not based on observable market data.

Level 1 has been utilized to value common shares included in short-term investments.
The following summarizes the categories of the various financial instruments:

		Sept 30, 2023		Sept 30, 2022
		Carrying Value		
Financial Assets				
Financial assets measured at fair value:				
Short-term investments	**$**	**89,842**	$	309,842
Financial assets measured at amortized cost:				
Cash		**695,912**		1,458,563
Accounts receivable		**-**		18
	$	**695,912**	$	1,458,581
Financial Liabilities				
Financial liabilities measured at amortized cost:				
Accounts payable and accrued liabilities	**$**	**59,868**	$	93,179

The above noted financial instruments are exclusive of any sales tax.

The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The Company undertakes transactions denominated in US currency through its exploration in the US; consequently, it is exposed to exchange rate fluctuations. The Company will acquire US funds from time to time to settle US$ denominated liabilities. At September 30, 2023, the Company had US$5,852 ($7,912) (2022 - US$13,173 ($18,056)) in a US denominated bank account. The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of $585 (2022 - $1,806). Additionally, at September 30, 2023, accounts payable and accrued liabilities include liabilities of US$4,290 ($5,753) (2022 - US$32,829 ($44,999)), that must be settled in US$. The effect of a foreign currency increase or decrease of 10% on this liability would result in an increase or decrease of $575 (2022 - $4,500) to the amount payable.

13. General and administrative

		Sept 30, 2023		Sept 30, 2022
Administrative consulting fees	**$**	**234,731**	$	350,145
Share-based compensation (Note 14)		**35,460**		139,038
Occupancy costs		**13,723**		18,789
Office, secretarial, supplies and other		**48,299**		53,929
Insurance		**15,743**		13,462
Directors' fees		**5,000**		4,500
Computer network and website maintenance		**3,472**		1,929
Travel and promotion		**48,615**		56,877
	$	**405,043**	$	638,669

(Expressed in Canadian Dollars)

14. Share-based payment transactions

During the year ended September 30, 2023, the Company issued 400,000 options that may be exercised at $0.06 per share to July 11, 2026. All of the options have vested as of September 30, 2023 other than 150,000 options vesting half January 11, 2024 and the remainder on July 11, 2024. The vested options were valued at $11,355, and the remainder at $3,805, using the Black-Scholes Options Pricing model assuming a 3-year term, volatility of 136.86%, a risk free discount rate of 4.46% and a dividend rate of 0%, on the grant date, July 11, 2023.

During the year ended September 30, 2022, the Company issued 1,525,000 options that may be exercised at $0.18 per share to May 1, 2027. All of the options have vested as of September 30, 2022 with the exception of 200,000 options vesting May 1, 2023 and 200,000 options vesting May 1, 2024. The options were valued at $139,068, $24,105 and $6,490 respectively, using the Black-Scholes Options Pricing model assuming a 5-year term volatility of 102.32%, a risk free discount rate of 2.75% and a dividend rate of 0%, on the grant date, May 1, 2022.

15. Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted loss per share if their inclusion would be anti-dilutive.

The following adjustments were made in arriving at diluted weighted average number of common shares for the years ended September 30:

Weighted average number of common shares:	**2023**	2022
Basic and Diluted	**100,333,142**	**80,617,331**
Loss per share		
Basic and diluted	**$ (0.01)**	$ (0.01)

(Expressed in Canadian Dollars)

16. Income tax information

Rate reconciliation:

The combined provision for taxes in the consolidated statement of loss and other comprehensive loss reflects an effective tax rate which differs from the expected statutory rate as follows:

		2023		2022
Income (loss) before income taxes	$	**(535,402)**	$	(781,362)
Computed expected expense (recovery) based on a combined rate of 23.00% (2022 – 23.00%)		**(123,142)**		(179,713)
Change resulting from:				
True up of opening balance		**12,536**		-
Differential tax rate of foreign jurisdiction		**9,962**		3,308
Non-deductible (taxable) items and other		**(33,249)**		(125,,508)
Change in tax rate		**-**		(2,130)
Unrecognized deferred tax asset		**133,893**		304,043
Income tax expense	$	**-**	$	-

The combined statutory rate is 23.00% for 2023 (2022 – 23.00%). The deferred combined statutory rate is expected to be 23.00% for 2023 and subsequent years (2022 – 23.00%).

Temporary differences and tax loss not recognized for accounting purposes:

		2023		2022
Non-capital loss carry-forwards	$	**4,206,570**	$	4,139,877
Capital loss carry-forwards		**986,203**		782,935
Share issuance costs		**32,399**		42,246
US net operating loss		**3,816,139**		2,970,538
Mineral properties		**1,933,707**		2,813,014
Short-term investments		**28,927**		99,760
Interest		**199,924**		39,907
Total	$	**11,203,869**	$	10,888,277

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at September 30, 2023, the Company had unused non-capital loss carry forwards of approximately $4.2 million that expire between the years 2026 and 2043. Capital loss carry-forwards may be carried forward indefinitely. The Company has unused US net operating loss carry forwards of approximately $2,823,000USD ($3,816,000) (2022 - $2,167,000USD ($2,971,000)) that may be carried forward indefinitely.

(Expressed in Canadian Dollars)

17. Related party balances and transactions and key management remuneration

The Company is considered a related party to Jade Leader Corp. ("Jade Leader") because of its common directors, officers and key management personnel that have some direct financial interest in both the Company and Jade Leader. In addition, related parties include members of the board of directors, officers and their close family members. Vector Resources Inc., a company controlled by Shane Ebert, President and director of CANEX Metals; and 635280 Alberta Ltd., a company controlled by Jean Pierre Jutras, an officer and director of CANEX Metals are also considered related parties. The Company incurred the following amounts charged to (by) related parties:

			Sept 30, 2023		Sept 30, 2022
Key management remuneration					
President and director	a	**$**	**(112,175)**	$	(77,350)
Corporate secretary	b		**(39,604)**		(39,375)
Chief Financial Officer	c		**(1,950)**		(1,200)
Directors' fees	d		**(5,000)**		(4,500)
Total Management remuneration		**$**	**(158,729)**	$	(122,425)

			Sept 30, 2023		Sept 30, 2022
Other related party transactions					
Jade Leader					
Office rent and operating costs paid		**$**	**(13,911)**	$	(18,789)
General and administrative and secretarial costs paid		**$**	**(7,585)**	$	(9,638)
General and administrative and secretarial costs received		**$**	**463**	$	695
635280 Alberta Ltd.					
Geological consulting services	e	**$**	**(17,961)**	$	(18,462)

The following amounts were due to or receivable from related parties at the respective year ends:

Balances Receivable (Payable)			**Sept 30, 2023**		Sept 30, 2022
Consulting fees:					
President and director	a	**$**	**(6,615)**	$	(5,513)
Chief Financial Officer	c	**$**	**-**	$	(1,200)
Office rent and operating costs					
Jade Leader		**$**	**-**	$	(4,932)
General and administrative and secretarial costs:					
Jade Leader		**$**	**(1,452)**	$	(933)
Corporate secretary	b	**$**	**(2,795)**	$	-
President and director	a	**$**	**(979)**	$	(8,019)

Management compensation payable to "key management personnel" during the years ended September 30, 2023 and 2022 is reflected in the table above and consists of consulting fees paid to the President, the CFO, fees for the Corporate Secretary and directors' fees. Officers and directors are also compensated through the granting of options from time-to-time. During the year ended September 30, 2023, the Company did not grant any stock options to related parties. During the year ended September 30, 2022, the Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments of $125,131 that is recorded in general administrative expenses There were no other benefits granted to officers, directors and consultants during the years ended September 30, 2023 and 2022. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company.

(Expressed in Canadian Dollars)

17. Related party balances and transactions and key management remuneration (continued)

a) The President and director of the Company billed for consulting services that were either expensed or, when his services related directly to mineral property exploration, capitalized to exploration and evaluation assets (Note 8). During the year ended September 30, 2023, $60,025 (2022 - $33,775) was expensed through administrative expenses, $52,150 (2022 - $43,575) was capitalized to exploration and evaluation assets.

b) The Corporate Secretary provides services to the Company on a contract basis.

c) The Chief Financial Officer provides services to the Company on a contract basis.

d) The Company pays directors who are not officers, $500 for attendance at board meetings. There are three directors who are not officers and the amounts above reflect directors' fees paid/payable for meetings attended during the above-noted periods.

e) During the years ended September 30, 2023 and September 30, 2022, geological consulting services were provided by 635280 Alberta Ltd.

Related party receivables pertain to billings plus applicable sales taxes for which payment has not been received and related party payables reflect billings plus applicable sales taxes that were not yet paid by the Company at the respective period ends. Related party transactions were measured at the amounts agreed to by the transacting parties.

18. Supplemental disclosure statement of cash flows

Reconciliation of cash used in operating activities to operating loss for the years ended:

		Sept 30, 2023		Sept 30, 2022
Loss and comprehensive loss	**$**	**(535,402)**	$	(781,362)
Stock-based compensation		**35,460**		139,038
Dividend income		**-**		(231,232)
Interest and other items		**(24,287)**		(3,127)
Loss (gain) on short-term investments		**61,601**		302,493
Changes in assets and liabilities pertaining to operations:				
Accounts receivable		**298**		(741)
Prepaid expenses		**105**		34,208
Accounts payable and accrued liabilities		**(3,481)**		12,122
Cash paid to suppliers and contractors	**$**	**(465,706)**	$	(528,571)

Reconciliation of cash expended on exploration and evaluation assets for the years ended:

		Sept 30, 2023		Sept 30, 2022
Change in exploration and evaluation assets	**$**	**(1,140,544)**	$	(1,965,340)
Property acquisition – Share issuance		**112,500**		-
Provision for decommissioning		**-**		4,600
Accounts receivable		**(196)**		(311)
Accounts payable and accrued liabilities		**(29,831)**		(105,337)
Cash expended on exploration and evaluation assets	**$**	**(1,058,071)**	$	(2,066,388)

18. Supplemental disclosure statement of cash flows

Interest and taxes

No cash was expended on interest or taxes during the years ended September 30, 2023 and September 30, 2022.

Non-cash transactions

During the year ended September 30, 2023, the Company issued 1,000,000 common shares valued at $112,500 pursuant to an option agreement on the Gold Range Property. (See "Note 8 – Exploration and evaluation assets" for more information)

The Company also granted 400,000 (2022-1,525,000) stock options to officers, directors and consultants and recorded a non-cash charge for stock based payments of $35,460 (2022-$139,038) that is included in general and administrative expenses (Note 13). Refer to Note 14 – "Share-based payment transactions" for further information.

During the year ended September 30, 2022, the Company received a dividend in-kind of 79,188 common shares of Canada Nickel Company Inc. ("Canada Nickel" or "CNC") valued at $2.92 per share for a total value of $231,232. Refer to Note 7 – "Short-term investments" for more information regarding this transaction.

19. Segment disclosures

During the years ended September 30, 2023 and September 30, 2022, the Company was only engaged in mineral exploration and all exploration activities were undertaken in Canada and/or the United States. Activities undertaken in both countries were similar in nature. As at September 30, 2023, the value of non-current assets associated with United States operations is $5,086,551 (2022 - $3,946,007) including exploration and evaluation asset advances and deposits of $32,966 (2022 - $32,966) and exploration and evaluation assets of $5,053,585 (2022 - $3,913,041). All remaining non-current assets are associated with Canadian operations. Consequently, segmented information is not presented in these financial statements. Refer to Note 8 – "Exploration and evaluation assets" for details of the carrying amounts of these assets at the respective period ends.

20. Capital

The Company's objective when managing capital is to continue as a going concern so that it can provide value to shareholders by acquiring and conducting exploration on mineral exploration properties with the ultimate objective of finding commercial quantities of base and/or precious metals. Capital is defined as capital stock, warrants, contributed surplus and deficit. The Company has traditionally financed through equity issues rather than debt and does not anticipate using debt to finance its continuing grass roots exploration. Should the Company evolve to the point where it is developing or operating a mine, debt options will be investigated.The Company will raise equity as cash flow requirements dictate and will attempt, when able, to time financings with more favorable market conditions. The Company can scale back exploration, and to a certain extent, discretionary administrative costs during tighter equity markets. The Company invests capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments such as Bankers' Acceptances and Term Deposits until such time as it required to pay operating expenses and mineral property costs, including option payments (Note 8). The Company objective is to manage its capital to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital.

21. Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of receivables, excluding sales tax. The Company has had a history of prompt receipt of its receivables and considers credit risk to be low on these instruments as at September 30, 2023 and September 30, 2022.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to obtain adequate financing or to commence profitable operations in the future. During the year ended September 30, 2023, the Company closed a private placement financing for aggregate gross proceeds of $600,000. Increases in activity levels, new property acquisitions and any level of exploration on its mineral properties may require additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 - "Nature of operations and continuance of operations".

The Company's significant remaining contractual maturities for financial liabilities as at September 30, 2023 and 2022 are as follows:

- Accounts payable and accrued liabilities are due within one year.

c) Market risk

The Company's equity investments are subject to market price risk. The investments in common shares are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price value of these investments can vary from period to period. During the year ended September 30, 2023, the market price fluctuation on the investments held resulted in a net loss of $57,854 (2022 - net loss of $309,843) on short-term investments. In 2023, a 10% change in fair value of the Company's marketable investments would result in a charge to income of $8,984 (2022 - $30,984). The Company does not intend to hold these investments for more than one year.

The Company has not yet developed producing mineral interests and as a result it is not exposed to commodity price risk associated with developed properties at this time.

d) Interest rate risk

The Company has no debt facilities and has minimal amounts of interest income, it is not exposed to significant interest rate risk at this time. All market risk is associated with the Company's investments in common shares, which are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings.

21. Financial risk management (continued)

e) Foreign exchange risk

The Company undertakes transactions denominated in US currency; consequently, it is exposed to exchange rate fluctuations. The Company has disclosed US$ commitments pertaining to two option agreements in Note 8 – "Exploration and evaluation assets". Refer to Note 12 – "Financial instruments for the foreign exchange risk associated with the foreign denominated cash balances held, as well as accounts payable that must be settled in US$ at September 30, 2023 and September 30, 2022.

22. Commitments and Subsequent event

On August 31, 2023 the Company and Canexco signed a notice of exercise of option and amending agreement governing the Excelsior mine property located in the state of Arizona. Under the terms of the amended agreement, options to earn-in contained in the original agreement (refer to Note 8 – Exploration and evaluation assets) have been replaced with a one time issue of 8,694,170 common shares of Canex and paying US$120,000 in cash. The Vendor will retain a 1.5% net smelter royalty as outline in the original agreement and the Company will have a right of first refusal should this royalty be offered for sale. In addition, until August 31, 2030, should the Company be subject to any event that would impact the creditors rights that is not cured in 30 days, it will deliver the mine property back to the Vendor under the reversion clause of the agreement.

On November 29, 2023, subsequent to the date of these financial statements the cash payment was made by the Company and the shares were issued with the approval of the governing regulator and the company acquired 100% ownership the Excelsior mine property.

Corporate Information

Head Office:

Suite 1620, 734 – 7th Avenue S.W.
Calgary, Alberta, T2P 3P8
Ph: 403-233-2636
Fax: 403-266-2606

Directors:

Lesley Hayes *
Shane Ebert
Jean Pierre Jutras
Gregory Hanks *
Blair Schultz *
*Audit Committee Members

Officers:

Shane Ebert, *President*
Jean Pierre Jutras, *Vice-President*
Chantelle Collins, *Chief Financial Officer*
Barbara O'Neill, *Secretary*

Transfer Agent & Registrar:

Computershare Trust Company of Canada
#800, 324 - 8th Avenue S.W.
Calgary, Alberta, T2P 2Z2

Website:

www.canexmetals.ca

Email:

info@canexmetals.ca

Legal Counsel:

TingleMerrett LLP
1250 Standard Life Building
639-5th Avenue S.W.
Calgary, Alberta, T2P 0M9

***Bank*:**

Royal Bank of Canada
339-8th Avenue S.W.
Calgary, Alberta, T2P 1C4

Auditors:

BDO Canada LLP
620, 903-8th Avenue SW
Calgary, Alberta, T2P 0P7

Listed:

TSX Venture Exchange

Symbol:

CANX