RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

(Expressed in Canadian Dollars)

Consolidated Financial Statements

For the Years Ended September 30, 2022 and 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Riverside Resources Inc.

Opinion

We have audited the accompanying consolidated financial statements of Riverside Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2022 and 2021 and the consolidated statements of loss and comprehensive income, changes in shareholders' 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, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Company 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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 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 Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 IFRS, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 scepticism 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 Company'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 Company'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 Company 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 Company to express an opinion on the consolidated financial statements.

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.

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

Davidson & Company LLP

Vancouver, Canada   Chartered Professional Accountants

January 30, 2023

RIVERSIDE RESOURCES INC.
(An Exploration Stage Enterprise)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

For the years ended	Note	2022	2021
Assets			
Current assets:			
Cash and cash equivalents	17	$ 6,923,180	$ 5,972,384
Short-term investments	4	130,225	1,400,526
Receivables	5	203,526	95,199
Asset held for sale	6	3,035,967	-
Prepaid expenses	7	96,891	129,638
		10,389,789	7,597,747
Receivables	5	1,093,013	977,977
Equipment	8	168,127	234,070
Exploration and evaluation assets	9	4,671,861	6,089,456
		$ 16,322,790	$ 14,899,250
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	10	$ 238,441	$ 474,271
Flow-through premium liability	13	8,808	-
Exploration advances	11	2,723,531	2,423,630
Provision liability	20	1,117,637	1,022,086
		4,088,417	3,919,987
Shareholders' equity:			
Capital stock	13	26,017,795	25,468,861
Reserves	13	3,770,448	3,670,485
Accumulated deficit		(16,069,897)	(15,862,311)
Accumulated other comprehensive loss		(1,483,973)	(2,297,772)
		12,234,373	10,979,263
		$ 16,322,790	$ 14,899,250

Nature and continuance of operations (Note 1)
Subsequent events (Note 21)

On behalf of the Board on January 30, 2023

"Walter Henry"	Director	*"Wendy Chan"*	Director
Water Henry		Wendy Chan	

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

RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)
Consolidated Statements of Loss and Comprehensive Income
(Expressed in Canadian Dollars)

As at September 30,	Note	2022	2021
Expenses			
Management and consulting fees	9, 15	$ 367,857	$ 403,961
Amortization of flow-through premium liability		(162,734)	-
Depreciation	8	63,153	75,943
Director fees	15	36,000	36,000
Foreign exchange (gain) loss		(320,571)	70,883
General and administration		166,087	120,204
Interest expense (recovery)	12	-	(1,970)
Investor relations	15	342,567	319,869
Professional fees		162,554	136,860
Property investigation and evaluation		4,658	3,654
Rent	15	58,200	75,496
Share-based payments	13, 15	99,963	272,362
Interest income		(65,473)	(15,094)
Loss on asset disposal		20,572	-
Operational fee recovery	9	(292,184)	(395,748)
Other income	4, 15	(146,562)	(147,063)
Unrealized loss (gain) on short-term investments	4	155,875	(196,702)
Realized gain on short-term investments	4	(286,645)	(1,492,787)
Write-down of E&E assets		4,269	-
Net (loss) income for the year		(207,586)	734,132
Foreign exchange gain (loss) on translation of subsidiaries		813,799	(37,119)
Comprehensive income for the year		606,213	697,013
Income (loss) per share – basic and diluted		$ (0.00)	$ 0.01
Weighted average number of common shares outstanding			
– basic			
– diluted	3(g)	67,792,992	65,649,896
	3(g)	69,562,521	66,131,688

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

RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Years Ended	Note	2022	2021
OPERATING ACTIVITIES			
(Loss) Income for the year		$ (207,586)	$ 734,132
Items not involving cash:			
Depreciation	8	63,153	75,943
Share-based payments	13, 15	99,963	272,362
Realized gain on short-term investments	4	(286,645)	(196,702)
Unrealized loss (gain) on short-term investments	4	155,875	(1,492,787)
Other income	4	(146,562)	(127,595)
Amortization of flow-through premium liability	13	(162,734)	-
Accrued interest on government loan	12	-	(1,970)
Change in non-cash working capital items:			
Prepaid expenses		32,747	(19,966)
Receivables		(76,801)	77,433
Accounts payable and accrued liabilities		(523,122)	216,269
Long term VAT receivable		-	(412,812)
		(1,051,712)	(875,693)
INVESTING ACTIVITIES			
Exploration advances		299,901	945,907
Exploration and evaluation assets		(1,027,179)	(727,130)
Purchase of equipment	8	(3,026)	(65,823)
Purchase of short-term investment	4	-	(5,408)
Sale of short-term investments	4	1,471,070	1,805,182
		740,766	1,952,728
FINANING ACTIVITIES			
Proceeds from share issuance, net of issuance costs	14	720,475	446,210
Repayment of government grant	13	-	(30,000)
		720,475	416,210
Effect of foreign exchange on cash and cash equivalents		541,267	(109,439)
Increase in cash and cash equivalents		950,796	1,383,806
Cash and cash equivalents, beginning of the year		5,972,384	4,588,578
Cash and cash equivalents, end of the year		$ 6,923,180	$ 5,972,384

Supplemental disclosures with respect to cash flows (Note 17)

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

RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

		Capital Stock				Accumulated other	
	Note	Shares	Amount	Reserves	Accumulated Deficit	comprehensive loss	Total
Balance at September 30, 2020		68,127,131	$ 24,961,986	$ 3,458,788	$ (16,596,443)	$ (2,260,653)	$ 9,563,678
Shares issued for:							
Exercise of warrants	14	2,173,000	366,285	-	-	-	366,285
Exercise of options	14	717,500	140,590	(60,665)	-	-	79,925
Share-based payments	14	-	-	272,362	-	-	272,362
Income for the year		-	-	-	734,132	-	734,132
Foreign exchange loss on translation of subsidiary		-	-	-	-	(37,119)	(37,119)
Balance at September 30, 2021		71,017,631	25,468,861	3,670,485	(15,862,311)	(2,297,772)	10,979,263
Shares issued for:							
Flow through financing	14	3,430,833	720,475	-	-	-	720,475
Flow-through liability	14	-	(171,541)	-	-	-	(171,541)
Share-based payments	14	-	-	99,963	-	-	99,963
Loss for the year		-	-	-	(207,586)	-	(207,586)
Foreign exchange gain on translation of subsidiary		-	-	-	-	813,799	813,799
Balance at September 30, 2022		74,448,464	$ 26,017,795	$ 3,770,448	$ (16,069,897)	$ (1,483,973)	$ 12,234,373

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

1. Nature of operations

Riverside Resources Inc. (the "Company" or "Riverside") is a mineral exploration and evaluation company operating as a prospect generator listed on the TSX Venture Exchange (the "Exchange") under the symbol "RRI" and is engaged in the acquisition, exploration and evaluation of assets in the Americas including Canada, the United States and Mexico.

The Company's head office address is 550 – 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6.

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.

The Company's ability to continue operations is uncertain and is dependent upon the ability of the Company to obtain necessary financing to meet the Company's liabilities and commitments as they become payable, acquiring assets or a business, and the ability to generate future profitable production or operations or sufficient proceeds from the disposition thereof. The outcome of these matters cannot be predicted at this time. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Management believes that the Company has sufficient working capital to maintain its operations and activities for the next fiscal year.

2. Basis of presentation and Statement of compliance

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as and measured at their fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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 issued by the International Financial Reporting Interpretations Committee ("IFRIC").

3. Significant accounting policies

(a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company transactions and balances have been eliminated upon consolidation.

Name of subsidiary	Country of incorporation	Proportion of ownership interest	Principal activity
Riverside Resources Mexico, S.A. de C.V.	Mexico	100%	Mineral exploration
RRM Exploracion, S.A.P.I. de C.V.	Mexico	100%	Mineral exploration
RRM Minas S DE RL de C.V.	Mexico	100%	Mineral exploration
RRI Exploration Inc.	United States	100%	Mineral exploration
RRI Holdings Limited	Canada	100%	Holding company
Riverside Resources (BC) Inc.	Canada	100%	Mineral exploration

(b) Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company, Riverside Resources (BC) Inc., RRI Holdings Limited, and RRI Exploration Inc. is the Canadian dollar and the Mexican Peso for Riverside Resources Mexico, S.A. de C.V., RRM Exploration S.A.P.I. de C.V. and RRM Minas S DE RL de C.V. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the functional currency for an entity are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in consolidated statement of (loss) income.

The subsidiaries with a Mexican Peso functional currency have been translated into Canadian dollars as follows: assets and liabilities are translated at year end exchange rates, while revenues and expenses are translated using average rates over the year. Translation gains and losses relating to the foreign operations are included in accumulated other comprehensive loss as a separate component of shareholders' equity.

(c) Short-term investments and cash equivalents

Cash equivalents include Canadian guaranteed investment certificates that are readily convertible into cash or have maturities at the date of purchase of ninety days or less; and short-term investments include: marketable securities in publicly traded and private companies.

(d) Equipment

Equipment is carried at cost less accumulated depreciation and impairment losses. Depreciation is calculated using the declining balance method at the following annual rates:

Computer hardware	45%
Exploration equipment	20%
Furniture & fixtures	20%
Vehicles	30%

(e) Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. The Company records exploration and evaluation asset interests, which consist of the right to explore for mineral deposits, at cost. The Company records deferred exploration costs, which consist of costs attributable to the exploration of exploration and evaluation asset interests, at cost. All direct and indirect costs relating to the acquisition and exploration of these exploration and evaluation asset interests are capitalized on the basis of specific claim blocks until the exploration and evaluation asset interests to which they relate are placed into production, disposed of through sale, or where management has determined there to be an impairment. If an exploration and evaluation asset interest is abandoned, the exploration and evaluation asset interests and deferred exploration costs will be written off to operations in the period of abandonment.

On an on-going basis, the capitalized costs are reviewed on a property-by-property basis to consider if there is any impairment on the subject property. Management's determination for impairment is based on 1) whether the Company's exploration programs have significantly changed, such that previously identified resource targets are no longer being pursued; 2) whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; or 3) whether remaining lease terms are insufficient to conduct necessary studies or exploration work.

The recorded cost of exploration and evaluation asset interests is based on cash paid and the assigned value of share consideration issued (where shares are issued) for exploration and evaluation asset interest acquisitions and exploration costs incurred. The recorded amount may not reflect the recoverable value, as this will be dependent on future development programs, the nature of the mineral deposit, commodity prices, adequate funding, and the ability of the Company to bring its projects into production.

Property option payments received from its farm-out partners are recorded as a reduction to the capitalized cost of exploration and evaluation assets. Once the capitalized cost is fully recovered, the property option payments are recorded as property income. Management fees received pursuant to exploration alliance arrangements are recorded as a reduction in consulting fees.

(f) Impairment of long-lived assets

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

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

(g) Income (loss) per share

Basic income (loss) per common share is calculated by dividing income (loss) attributable to common shareholders by the weighted average number of shares outstanding during the year. The effect of dilutive stock options, warrants and similar instruments on income (loss) per share is recognized on the use of the proceeds that could be obtained upon of these and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Diluted income (loss) per share excludes all dilutive potential common shares if their effect is anti-dilutive.

The calculation of basic income (loss) per share for the year ended September 30, 2022, was based on the loss attributable to common shareholders of $207,586 (2021 – $734,132 income) and a weighted average number of common shares outstanding of 67,792,992 (2021 – 65,649,896).

The calculation of diluted income (loss) per share for the year ended September 30, 2022, includes the weighted average number of common shares outstanding adjusted for the effects of all potentially dilutive common shares.

(h) Critical accounting estimates, judgments, and assumptions

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. 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 expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are noted below with further details of the assumptions contained in the relevant note.

Exploration and evaluation assets

Exploration and evaluation costs are initially capitalized as intangible exploration assets with the intent to establish commercially viable reserves. The Company is required to make estimates and judgments about the future events and circumstances regarding whether the carrying amount of intangible exploration assets exceeds its recoverable amount. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental, and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets properties.

Share-based payments

Charges for share-based payments are based on the fair value on the date the awards are granted. Stock options are valued using the Black-Scholes option pricing model, and inputs to the model include assumptions on share price volatility, discount rates and expected life outstanding.

Contingencies

Contingencies are resolved only when one or more events transpire. As a result, the assessment of contingencies inherently involves estimating the outcome of future events. The Company has recorded a provision with respect to a legal dispute with the Government of Mexico. See Note 21.

Critical accounting judgments

- going concern presentation of the consolidated financial statements as discussed in Note 1, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due; and

- management's determination of the functional currency of the Company and each of its subsidiaries requires judgment based on the factors outline in IAS 21, *The Effects of Changes in Foreign Exchange Rates.*

(i) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they revert, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

(j) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed as incurred. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are recognized in profit or loss. The Company's short-term investments are classified as FVTPL.

Financial assets at FVOCI: Investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss). The Company has no FVOCI assets.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company's financial assets at amortized cost include cash and cash equivalents and receivables and approximate fair value due to the short-term nature of the assets.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss (FVTPL) - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss. The Company has no financial liabilities at FVTPL.

Other financial liabilities - This category comprises liabilities initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method. The Company's other financial liabilities is its accounts payable and approximate fair value due to the short-term nature of the liability.

(k) Share-based payments

The stock option plan allows the Company's employees, directors, and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payments expense with a corresponding increase in shareholders' equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to capital stock.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. 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. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

In situations where equity instruments are issued to non-employees and some or all the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

(l) Capital stock

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from shareholders' equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

(m) Management fees

Management fees are earned on exploration alliance arrangements where the Company is the operator of the underlying exploration program.

(n) Government Assistance

The Company received certain government assistance in the form of forgivable loans from the Canadian government in connection with the COVID-19 pandemic. Pursuant to IAS 20 Accounting for Government Grants and Disclosure, the benefit of a government loan at below market rate is treated as a government grant and measured in accordance with IFRS 9 Financial Instruments: the benefit of below-market rate is measured as the difference between the initial carrying value of the loan and the proceeds received. The difference will be accredited to the loan liability over the term of the loan and offset to other income on the consolidated statement of income and comprehensive income (loss).

(o) Related party transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, and related parties may be individuals, such as key management personnel, including immediate family members of the individual, or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

New standards, interpretations and amendments adopted during the year.

The Company has adopted the following new standards, along with any consequential amendments effective October 1, 2021. These changes were made in accordance with the applicable transitional provisions.

IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Estimates and Errors.

(Expressed in Canadian Dollars)

On October 31, 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. These amendments clarify the definition of "material" and aligns the definition used within the IFRS Standards. The application of this amendment did not have a material impact on the Company.

IFRS 3 – Business Combinations

On October 22, 2018, the IASB issued an amendment to IFRS 3 Business Combinations to narrow the definition of a business and introduce a screening test, which eliminates the requirement for a detailed assessment of the definition, when met. The application of this amendment did not have a material impact on the Company.

Standards not yet adopted

The following standards are expected to be adopted by the company in the following year. The company is currently assessing the impact of these new standards on the financial statements.

IAS 16, Property, Plant and Equipment - Proceeds before Intended Use

The amendment to IAS 16 prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in profit or loss.

IAS 37, Provisions, Contingent Liabilities and Contingent Assets

The changes in Onerous Contracts — Cost of Fulfilling a Contract specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

4. Short-term investments

Short-term investments include marketable securities received as a result of property option agreements. Marketable securities comprise common shares in publicly traded and private companies as follows:

	September 30, 2022			September 30, 2021		
	Number of shares	Cost	Fair market value	Number of shares	Cost	Fair market value
Arcus Development Group Inc.	29,000	$ 11,020	$ 580	29,000	$ 11,020	$ 870
Arizona Metals Corp. (1)	-	-	-	324,500	86,237	1,184,425
Guerrero Exploration Inc.	1,926,000	343,049	-	1,926,000	343,049	-
Carlyle Commodities Corp. (2)	250,000	512,500	41,250	2,000,000	497,500	120,000
Goldshore Resources Inc. (formerly Sierra Madre Developments Inc.)	104,194	1,103,791	20,318	104,194	1,103,791	63,559
Sinaloa Resources Corp.	1,000,000	100,000	-	1,000,000	100,000	-
First Helium Inc. (4)	154,500	45,308	45,577	154,500	45,308	31,672
Upper Canada Mining Inc.	5,600,000	-	-	5,600,000	-	-
Southern Empire Resources (3)	500,000	55,000	22,500	-	-	-
	9,563,694	$ 2,170,668	$ 130,225	11,138,194	$ 2,186,905	$ 1,400,526

(1) During the years ended September 30, 2022, the Company sold 324,500 shares (2021 - 1,175,500 shares) for net proceeds of $1,471,070 (2021 - $1,805,182).

(2) On January 13, 2022, the Company received additional 500,000 shares of Carlyle Commodities Corp. (Carlyle) with a fair market value of $15,000 as per the option agreement for the Cecilia property. Refer to Note 9 (c) for additional details.

(Expressed in Canadian Dollars)

Effective September 6, 2022, Carlyle underwent a 10: 1 share consolidation, as a result the Company's investment in Carlyle was updated to reflect the share consolidation.

(3) On January 12, 2022, the Company received 500,000 shares of Southern Empire Resources Corp. with a fair market value of $55,000 as per the option agreement for the Suaqui Verde property. Refer to Note 9 (f) for additional details.

(4) On July 12, 2021, First Helium Inc. completed its listing and began trading on the TSX-V under the symbol HELI.

5. Receivables

Receivables mainly consist of tax refunds from the Federal Government of Canada and Mexico.

	September 30, 2022	September 30, 2021
GST recoverable amounts in Canada	$ 19,179	$ 19,990
IVA recoverable amounts in Mexico (current)	161,238	26,178
Land taxes recovery in Mexico	23,109	21,133
Other receivable*	-	27,898
	203,526	95,199
IVA recoverable amounts in Mexico (non-current)	1,093,013	977,977
	$ 1,296,539	$ 1,073,176

*During the year ended September 30, 2022, the Company recognized and received $Nil (2021 - $27,898) from iMetail Resources Inc, for the reimbursement of the exploration expenditures on the Oakes property.

6. Assets held for sale

Tajitos property	September 30, 2022	September 30, 2021
Balance, End of year	$ 3,035,967	$ 2,697,156

During the year the Tajitos property was actively marketed for sale and on November 15, 2022, the Company signed a definitive sale and royalty agreement with Minera Fresnillo SA de CV ("Fresnillo"), a wholly owned subsidiary of Fresnillo PLC for the sale of the Tajitos Gold Project located in Sonora, Mexico. The Company received a US$2,500,000 cash payment on November 18, 2022 and retained a 2.0% NSR over the mineral concessions attached to the property.. There were no liabilities attributable to the Tajitos property. At September 30, 2022 the property was recorded at the lower of its carrying amount and the fair value less cost of disposal. The company realized a gain of US$282,621 (CAD$300,283) from the sale of this property.

7. Prepaid expenses

The breakdown of prepaid expenses is as follows:

	September 30, 2022	September 30, 2021
Conferences and courses	$ -	$ 9,463
Expense advances	40,294	71,337
Insurance	45,722	37,998
Rent	10,875	10,840
	$ 96,891	$ 129,638

(Expressed in Canadian Dollars)

8. Equipment

	Computer hardware	Exploration equipment	Furniture & fixtures	Vehicles	TOTAL
Cost					
Balance at September 30, 2020	$ 88,805	$ 205,522	$ 31,353	$ 193,064	$ 518,744
Additions	-	-	-	65,823	65,823
Foreign exchange movement	524	6,138	634	6,257	13,553
Balance at September 30, 2021	$ 89,329	$ 211,660	$ 31,987	$ 265,144	$ 598,120
Additions	1,894	-	-	1,132	3,026
Disposals	-	-	-	(20,369)	(20,369)
Foreign exchange movement	1,727	18,385	1,899	22,945	44,956
Balance at September 30, 2022	**$ 92,950**	**$ 230,045**	**$ 33,886**	**$ 268,852**	**$ 625,733**
Accumulated depreciation					
Balance at September 30, 2020	$ (79,295)	$ (102,373)	$ (27,242)	$ (77,823)	$ (286,733)
Depreciation	(4,432)	(21,392)	(845)	(49,274)	(75,943)
Foreign exchange movement	(215)	(2,810)	(544)	2,195	(1,374)
Balance at September 30, 2021	$ (83,942)	$ (126,575)	$ (28,631)	$ (124,902)	$ (364,050)
Depreciation	(2,763)	(17,160)	(674)	(42,556)	(63,153)
Disposals	-	-	-	20,369	20,369
Foreign exchange movement	(1,321)	(12,093)	(1,727)	(35,631)	(50,772)
Balance at September 30, 2022	**$ (88,024)**	**$ (155,823)**	**$ (31,030)**	**$ (182,729)**	**$ (457,606)**
Net book value					
Balance at September 30, 2021	$ 5,387	$ 85,085	$ 3,356	$ 140,242	$ 234,070
Balance at September 30, 2022	**$ 4,926**	**$ 74,222**	**$ 2,856**	**$ 86,123**	**$ 168,127**

(Expressed in Canadian Dollars)

9. Exploration and evaluation assets

For the period ended September 30, 2022

	Tajitos Mexico	La Silla Mexico	Australia Mexico	Ariel Mexico	Cecilia Mexico	Teco Mexico	Suaqui Verde Mexico	Los Cuarentas Mexico	La Union Mexico	El Valle, Llano del Nogalo & El Pima Mexico	Northwestern Ontario Canada	Total
Acquisition costs	$ 71,634	$ 14,943	$ 1,997	$ 8,260	$ 37,673	$ 13,424	$ 1,035	$ 18,913	$ 89,383	$ 2,245	$ 5,000	$ 264,507
Exploration costs:												
Assaying	-	-	-	-	-	-	-	-	10,402	-	35,832	46,234
Drilling	-	-	-	-	-	-	-	2,356	-	-	442,654	445,010
Field & camp costs	182	2,798	798	335	66	-	1,200	-	21,082	-	59,952	86,413
Geological consulting	34,414	15,581	276	17,371	2,489	138	1,938	10,462	151,285	821	239,589	474,364
Surveys & geophysics	-	-	-	-	-	-	-	-	-	-	73,750	73,750
Transport & support	4,140	15,018	4,277	7,265	5,061	1,907	-	946	19,004	-	80,956	138,574
Total current exploration costs	38,736	33,397	5,351	24,971	7,616	2,045	3,138	13,764	201,773	821	932,733	1,264,345
Professional & other fees:												
Professional consulting	-	24,000	-	12,919	-	12,000	-	-	-	-	1,500	50,419
Legal fees	30,815	-	-	-	-	-	-	555	16,033	(1,627)	-	45,776
Others	1,349	4,214	-	1,806	6	478	-	739	2,839	-	6,283	17,714
Total current professional & other fees	32,164	28,214	-	14,725	6	12,478	-	1,294	18,872	(1,627)	7,783	113,909
Total costs incurred during the period	142,534	76,554	7,348	47,956	45,295	27,947	4,173	33,971	310,028	1,439	945,516	1,642,761
Balance, Opening	2,697,156	562,511	39,432	121,874	1,228,630	240,710	30,285	193,064	132,575	6,799	836,420	6,089,456
Asset write-off	-	-	-	-	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	(15,000)	-	(130,000)	-	(128,290)	-	(125,000)	(398,290)
Assets Held for Sale	(3,035,967)	-	-	-	-	-	-	-	-	-	-	(3,035,967)
Foreign exchange movements	196,277	27,303	4,191	5,374	56,085	20,908	2,635	23,860	36,529	739	-	373,901
Balance, End of the period	$ -	$ 666,368	$ 50,971	$ 175,204	$ 1,315,010	$ 289,565	$ (92,907)	$ 250,895	$ 350,842	$ 8,977	$ 1,656,936	$ 4,671,861
Cumulative costs:												
Acquisition	$ 1,182,249	$ 78,119	$ 5,563	$ 21,365	$ 662,487	$ 93,589	$ 5,904	$ 230,201	$ 120,538	$ 6,663	$ 79,453	$ 2,486,131
Exploration	1,631,534	610,159	30,604	115,887	985,793	139,804	30,334	111,223	293,773	1,001	1,498,767	5,448,879
Professional & other fees	385,336	140,278	13,450	35,541	149,835	29,602	52	19,546	31,718	797	203,716	1,009,871
Recoveries	-	(164,000)	-	-	(612,500)	-	(130,000)	(122,519)	(128,290)	-	(125,000)	(1,282,309)
Assets Held for Sale	(3,035,967)	-	-	-	-	-	-	-	-	-	-	(3,035,967)
Foreign exchange movements	(163,152)	1,812	1,354	2,411	129,395	26,570	803	12,444	33,103	516	-	45,256
	$ -	$ 666,368	$ 50,971	$ 175,204	$ 1,315,010	$ 289,565	-$ 92,907	$ 250,895	$ 350,842	$ 8,977	$ 1,656,936	$ 4,671,861

RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)
Notes to the Consolidated Financial Statements
For the year ended September 30, 2022
(Expressed in Canadian Dollars)

For the year ended September 30, 2021

	Tajitos Mexico	La Silla Mexico	Australia Mexico	Ariel Mexico	Cecilia Mexico	Teco Mexico	Suaqui Verde Mexico	Los Cuarentas Mexico	La Union Mexico	El Valle, Llano del Nogalo & El Pima Mexico	Northwestern Ontario Canada	Total
Acquisition costs	$ 80,110	$ 6,670	$ 911	$ 3,870	$ -	$ 12,649	$ 975	$ 61,055	$ 14,165	$ 2,468	$ 7,556	$ 190,429
Exploration costs:												
Assaying	-	946	-	-	-	-	-	-	592	-	3,467	5,005
Drilling	-	-	-	-	-	-	-	21,757	-	-	-	21,757
Field & camp costs	20,677	10,128	3,566	4,180	144	6,656	-	313	10,746	-	12,025	68,435
Geological consulting	21,820	46,458	312	7,924	750	6,237	-	2,494	39,504	-	110,590	236,089
Surveys & geophysics	-	-	-	-	-	-	-	-	-	-	76,658	76,658
Transport & support	18,624	26,607	303	5,735	1,404	3,774	4,634	724	10,111	-	55,307	127,223
Total current exploration costs	61,121	84,139	4,181	17,839	2,298	16,667	4,634	25,288	60,953	-	258,047	535,167
Professional & other fees:												
Professional consulting	-	26,273	-	4,000	52	12,000	52	2,440	5,000	-	53,327	103,144
Legal fees	39,057	352	-	-	658	-	-	623	4,416	1,934	-	47,040
Others	1,185	-	-	-	-	-	-	-	-	-	-	1,185
Total current professional & other fees	40,242	26,625	-	4,000	710	12,000	52	3,063	9,416	1,934	53,327	151,369
Total costs incurred during the year	181,473	117,434	5,092	25,709	3,008	41,316	5,661	89,406	84,534	4,402	318,930	876,965
Balance, Opening	2,460,312	438,112	33,405	95,192	1,305,696	193,987	23,864	100,264	47,271	2,354	517,490	5,217,947
Recoveries	-	-	-	-	(97,500)		-	-		-	-	(97,500)
Foreign exchange movements	55,371	6,965	935	973	17,426	5,407	760	3,394	770	43	-	92,044
Balance, End of the year	$ 2,697,156	$ 562,511	$ 39,432	$ 121,874	$ 1,228,630	$ 240,710	$ 30,285	$ 193,064	$ 132,575	$ 6,799	$ 836,420	$ 6,089,456
Cumulative costs:												
Acquisition	$ 1,110,615	$ 63,176	$ 3,566	$ 13,105	$ 624,814	$ 80,165	$ 4,869	$ 211,288	$ 31,155	$ 4,418	$ 74,453	$ 2,221,624
Exploration	1,592,798	576,762	25,253	90,916	978,177	137,759	27,196	97,459	92,000	180	566,034	4,184,534
Professional & other fees	353,172	112,064	13,450	20,816	149,829	17,124	52	18,252	12,846	2,424	195,933	895,962
Recoveries	-	(164,000)	-	-	(597,500)	-	-	(122,519)	-	-	-	(884,019)
Foreign exchange movements	(359,429)	(25,491)	(2,837)	(2,963)	73,310	5,662	(1,832)	(11,416)	(3,426)	(223)	-	(328,645)
	$ 2,697,156	$ 562,511	$ 39,432	$ 121,874	$ 1,228,630	$ 240,710	$ 30,285	$ 193,064	$ 132,575	$ 6,799	$ 836,420	$ 6,089,456

(Expressed in Canadian Dollars)

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests is in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are in Mexico and Canada.

The terms and commitments of the Company with respect to its exploration and evaluation assets are subject to change if and when the Company and its partners mutually agree to new terms and conditions.

(a) La Silla, Sinaloa, Mexico

In October 2015, the Company acquired two mining concessions in the La Silla gold-silver district in Sinaloa through a lottery process. The Company has a 100% exploration concession interest in the La Silla Property.

(b) Ariel, Sonora, Mexico

The Company acquired a 100% exploration concession interest in the Ariel Property on June 1, 2017.

(c) Cecilia, Sonora, Mexico

In January 2017, the Company signed letter agreements with Gunpoint Exploration Ltd. ("Gunpoint") and Millrock Resources Inc. ("Millrock") to acquire three La Cecilia Margarita concessions owned by Gunpoint, and to acquire the Violeta concession owned by Millrock into a unified Cecilia Gold Project. The Company acquired a 100% interest in the La Cecilia Margarita concessions from Gunpoint in January 2020.

In addition to the payments made to Gunpoint, the Company acquired a 100% interest in the Violeta concession from Millrock during the year ended September 30, 2017, by paying $10,000 and issuing 100,000 common shares with a fair value of $46,000 to Millrock upon completion of property title transfer, subject to 0.5% NSR.

On July 15, 2020, the Company entered into a Definitive Option Agreement with Carlyle Commodities Corp. ("Carlyle") whereby Carlyle could acquire a 100% interest in the Cecilia Property, by paying $200,000 in cash, issuing 1,500,000 common shares and 3,000,000 special warrants, and incurring exploration expenditures of $2,500,000 over a three-year period as per below, while retaining a 2.5% NSR.

Due date	**Cash**	**Common shares**	**Special warrants**	**Exploration expenditures**
June 23, 2020 (signing of LOI)	$10,000 (received)(1)	-	-	-
July 15, 2020	$40,000 (received)(2)	1,500,000 (received)(3)	3,000,000 (received) (3)	-
July 15, 2021	$50,000 (received) (4)	-	-	$ 750,000 (achieved)
July 15, 2022	$50,000 (5)	-	-	$ 500,000
July 15, 2023	$50,000	-	-	$ 1,250,000

(1) Option payments were received on June 23, 2020.

(2) Option payment was received on July 16, 2020.

(3) 1,500,000 common shares and 3,000,000 special warrants were received on July 13, 2020. The special warrants are subject to the following vesting schedule: 500,000 vested 12 months after issuance, 500,000 vested 18 months after issuance, 500,000 vested 24 months after issuance, 500,000 vested 30 months after issuance, and 1,000,000 vested 36 months after issuance. Unless the option agreement expires or is terminated, the special warrants will be converted to common shares in Carlyle with no additional consideration. Upon expiration or termination of the option agreement, any unvested special warrants are terminated. On July 13, 2021, 500,000 special warrants were vested and converted to common shares with a

(Expressed in Canadian Dollars)

fair market value of $47,500. On January 13, 2022, 500,000 special warrants were vested and converted to common shares with a fair market value of $15,000.

(4) Option payment was received on July 12, 2021.

(5) On May 15, 2022, the Company received an option termination notification from its partner, Carlyle Commodities Corp., stating that it would be terminating its option to earn a 100% interest in the Cecilia Project.

During the year ended September 30, 2022, the Company recognized and received $nil (2021 - $51,101) as operational fee recovery.

(d) Teco, Sonora, Mexico

The Company has a 100% ownership interest in the Teco Project which is made up of two concessions: Teco and Suaqui Grande.

(e) Australia, Sonora, Mexico

The Company has a 100% interest ownership interest in the Australia Project which is made up of two concessions: Sandy and Sandy 2.

(f) Suaqui Verde, Mexico

The Company has a 100% interest in Suaqui Verde Property.

On December 24, 2021, the Company entered into a Definitive Option Agreement with Southern Empire Resource Corp. (“Southern Empire”) whereby Southern Empire could acquire a 100% interest in the Suaqui Verde Property, by paying $112,500 in cash, issuing 1,625,000 common shares while retaining a 2.5% NSR on precious metal products and 1.75% NSR on base metal products. The transaction details as below:

Due date	**Cash**	**Common shares**
Upon the closing date (December 24, 2021)	$ 25,000 (paid)	500,000 (received)
On or before the first anniversary of the closing date (December 24, 2022)	$ 37,500 (paid)	550,000 (received)
On or before the second anniversary of the closing date (December 24, 2023)	$ 50,000	575,000

On October 1, 2021, the Company received the payment of $50,000 for granting an exclusivity period of 60 days from October 1, 2021, to complete its due diligence on the Suaqui Verde property.

(g) Los Cuarentas, Sonora, Mexico

On June 24, 2019, the Company entered into a binding letter agreement (“Letter Agreement”) with Millrock to acquire a 100% undivided right, title, and interest in five projects, including Los Cuarentas, La Union, El Valle, Llano del Nogalo and El Pima, at a purchase price of $35,000 cash (paid) and 150,000 common shares (issued at a fair market value of $24,000). During the year ended September 30, 2021, the Company obtained ownership of the properties of Llano del Nogalo and El Valle. In 2022, the the El Pima property was sold to an unrelated party for $50,000.

(h) La Union, Sonora, Mexico

The Company has a 100% exploration concession interest in the La Union Property.

(Expressed in Canadian Dollars)

On May 5, 2022, the Company entered into an Exploration Earn-In Agreement (the "Agreement") with Minera Hochschild Mexico, S.A. de C.V. ("Hochschild"), a wholly-owned subsidiary of Hochschild Mining PLC for the Company's 100% owned La Union Gold Project (the "Project").

The Agreement is divided into two phases Earn-in Option, wherein Hochschild can earn-in an undivided 51% by incurring US$8,000,000 in exploration expenditures over five (5) years.

- Phase I, Hochschild is to incur expenditures as listed in the table below totaling at least US$8,000,000 of qualifying exploration expenditures before the fifth anniversary of the effective date of the executed Agreement.

- Phase II Earn-in Option: Hochschild can elect to earn an additional 24% by incurring a further US$3,000,000 in qualifying exploration expenditures and delivering a completed feasibility study.

Phase	Due date	Exploration Expenditures (in USD)	Cumulative Exploration Expenditures (in USD)
Phase I	May 5, 2023	$700,000	$700,000
Phase I	May 5, 2024	$1,000,000	$1,700,000
Phase I	May 5, 2025	$1,000,000	$2,700,000
Phase I	May 5, 2026	$2,300,000	$5,000,000
Phase I	May 5, 2027	$3,000,000	$8,000,000
Phase II	May 5, 2028	$1,000,000	$9,000,000
Phase II	May 5, 2029	$1,000,000	$10,000,000
Phase II	May 5, 2030	$1,000,000	$11,000,000

Upon completion of Phase I obligations, Hochschild can elect to form a 51:49 joint venture. Subsequently, Hochschild can elect to earn an additional 24% by incurring a further US$3,000,000 in qualifying exploration expenditures and delivering a completed feasibility study.

Upon completion of Phase II Earn-In obligation, Hochschild can form a Joint Venture with Riverside having a 25% interest, and Hochschild having 75% interest. Riverside will have the option to sell its interest in the project to Hochschild for US$2,000,000, while retaining a 1% Net Smelter Royalty (NSR).

On July 18, 2022, Hochschild terminated the Exploration Earn-In Agreement for the La Union project, by undertaking the costs of reclamation works and the federal annual concession maintenance fees due prior to October 16, 2022.

During the year ended September 30, 2022, the Company recognized and received $22,425 (2021 - $nil) as operational fee recovery.

(i) Northwestern Ontario, Canada

In April 2019, the Company acquired a 100% interest in the Oakes, Longrose, Pichette and Vincent projects in Northwestern Ontario, Canada. In July 2020, the Company expanded and acquired a 100% interest in the High Lake (Kenora) project in Western Ontario, Canada.

On February 10, 2021, the Company announced the sales of Oakes, Pichette and Longrose projects in northwestern Ontario for 8,000,000 common shares and a one-time bonus $500,000 in cash or share consideration for drill results of 100 g/m gold intercept at any of the three properties sold by the Company to iMetal Resources Inc. ("iMetal"), as well as the Company retaining a 2.5% Net Smelter Royalty (NSR) on each project. On November 18, 2021, the Company terminated the proposed acquisition with iMetal.

On October 28, 2021, the Company entered into a Definitive Option Agreement with Golden Retriever Minerals Ltd. ("Golden Retriever") whereby Golden Retriever could acquire a 100% interest in the High Lake Property, by paying $125,000 in cash while retaining a 2% NSR. The transaction details as below:

(Expressed in Canadian Dollars)

- $50,000 was paid to Riverside on closing date of October 28, 2021.

- $75,000 was paid to Riverside on September 14, 2022.

- Riverside would be granted a 2% NSR on each of the Royal, Canoe and Electrum Projects. Each of the royalty granted on each project can be bought down to 1% for a total of $2,000,000 for a determined period of time.

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of payables to vendors. The breakdowns of accounts payable and accrued liabilities are as follows:

	September 30, 2022	September 30, 2021
Payables to vendors	$ 238,441	$ 474,271

11. Exploration Advances

Exploration advances are connected to the BHP, Carlyle and Hochschild projects. Refer to Note 10 and the following exploration alliance program for further details.

	September 30, 2022	September 30, 2021
Exploration advances*	2,723,531	2,423,630

Exploration Financing Agreement (the "EFA") Program with BHP

On May 15, 2019, the Company entered into a two-year Sonora Mexico Exploration Financing Agreement ("EFA") with BHP Exploration Chile SpA ("BHP") for funding of generative exploration in the copper producing belt of Mexico (the "EFA Program"). The agreement was extended in May of 2021 for an additional year. The terms of the agreement were for a base amount of generative funding annually with additional funds to be committed on a project-by-project basis.
At the year end all generative funds committed to and funded by BHP under the EFA Program had been spent and totaled US$3,300,000.

- In fiscal 2021, BHP advanced an additional amount to of US$1,463,274 to fund specific projects generated by the EFA Program. In fiscal 2022 the Company spent US$260,247 of these funds (2021: US$540,593).

- In fiscal 2022 BHP advanced an additional amount of US$1,189,639 to fund specific projects generated by the EFA Program. At September 30, 2022 the Company spent US$929,162 of those funds.

On April 11, 2022, the Company signed an option agreement with Orogen Royalties Corp. ("Orogen") to acquire 100% interest in the Llano de Nogal copper project (the "Project") in Sonora, Mexico as a new property acquisition within the EFA Program.

The EFA Program is structured such that the Company can earn up to 20% and BHP can earn up to 80% in the Project as laid out in the financing agreement dated on May 15, 2019, which in this specific third-party property option case by making cash payments of US$2,480,000 and US$5,000,000 in exploration expenditures subject to the following schedule which would give BHP-Riverside 100% ownership of the tenure, subject to NSRs:

(Expressed in Canadian Dollars)

Due date	Cash (in USD)	Cumulative Exploration Expenditures (in USD)
April 11, 2022	$30,000	-
April 11, 2023	$50,000	$500,000
April 11, 2024	$50,000	$1,300,000
April 11, 2025	$100,000	$2,000,000
April 11, 2026	$200,000	$3,000,000
April 11, 2027	$300,000	$4,000,000
April 11, 2028	$1,750,000	$5,000,000

During the option period, Orogen and the Company would jointly have the right to exercise and retain any Net Smelter Return ("NSR") royalty buydown rights with respect to the Suanse claims (0.5% NSR royalty for $1,000,000) and the Coyotes claims (1.5% NSR royalty for US$1,500,000). During the year ended September 30, 2022, the Company received USD$30,000 under the terms of the agreement indicated above (2021 - $nil).

Once the option is exercised on Llano de Nogal, the optionee will grant to Orogen a 1% production royalty, of which 0.5% can be purchased for US$10,000,000 within 10 years of the exercise date.

The Company's mineral concessions at the current time are still controlled by the Company but may be added to BHP's earn in interest in the future. Currently, the Company controls these 100% for Llano de Nogal of Riverside.

On April 12, 2022, the Company received US$1,193,736 as exploration advances from BHP for the Llano de Nogal Project for the exploration activities from April 2022 to March 2023. As of September 30, 2022, US$451,344 of the exploration advances had been spent.

During the years ended September 30, 2022, and 2021, the Company recognized and received $269,760 (2021 - $266,309) as operational fee recovery relating to activities of the EFA Program.

During the year ended September 30, 2022, the Company recognized the $146,562 (2021 - $147,063) for the rental vehicles and exploration equipment recovery as other income from the EFA Program.

12. Government loan

In May 2020, the Company secured a $40,000 interest-free operating line of credit after applying for the government-sponsored Canada Emergency Business Account ("CEBA") under the Government of Canada COVID-19 relief program. The CEBA funds were intended for non-deferrable operating expenses, including but not limited to payroll, rent and insurance. The terms of the funds were such that is there was a balance outstanding after December 31, 2020, the remaining outstanding amount will be converted into a 2-year interest-free term loan effective January 1st, 2021. However, if $30,000 is repaid by December 31, 2022, $10,000 of the loan will be forgiven.

The Company has estimated the initial carrying value of the CEBA loan using a discount rate of 10%, which was the estimated rate for a similar loan without the interest-free component. On June 11, 2021, the Company repaid $30,000 cash payment for the CEBA loan and accordingly, the accrued interest of $4,269 was forgiven as per the terms of the loan agreement.

The details of the CEBA loan is as follows:

		September 30, 2022		September 30, 2021
Opening balance	$	-	$	31,970
Interest expense		-		2,299
Repayment		-		(30,000)
Forgiveness of the accrued interest		-		(4,269)
Ending balance	**$**	**-**	**$**	**-**

(Expressed in Canadian Dollars)

13. Capital stock and reserves

The authorized capital stock of the Company consists of an unlimited number of common and preferred voting shares without nominal or par value.

Issued and outstanding

Shares issued for the year ended September 30, 2022

On February 15, 2022, the Company completed its non-brokered private placement of flow-through shares for gross proceeds of 720,475. The Company issued 3,430,833 flow-through shares at a price of $0.21 per share. No share issuance cost incurred for this financing. A flow-through premium liability of $171,541 was recognized with respect to these flow-through shares. During the year ended September 30, 2022, $162,734 flow-through premium liability was amortized and settled in connection with the related flow-through expenditures made, thereby leaving a balance of $8,808 in flow-through premium liability.

Shares issued for the year ended September 30, 2021

(a) the Company issued 2,173,000 common shares for the exercise of warrants for net proceeds of $366,285.

(b) the Company issued 717,500 common shares for the exercise of options for net proceeds of $79,925, and the Company transferred $60,665 from reserves to share capital.

Share purchase and finders' warrants

	Number of warrants	Weighted average exercise price
Outstanding warrants, September 30, 2020	13,297,932	$ 0.22
Exercised	(2,173,000)	0.22
Expired	(11,124,932)	0.22
Outstanding warrants, September 30, 2021, and 2022	-	$ -

Capitan was liable to issue shares pursuant to the Arrangement, whereby a holder exercised a Riverside warrant they would be entitled to receive one new Riverside common share and 0.2594 of a Capitan common share. The exercise price of the Riverside warrants would remain the same; however, Riverside would need to compensate Capitan for each Capitan common share that was issued on exercise of a Riverside warrant. During the year ended September 30, 2021, 2,173,000 of Riverside's warrants were exercised, as a result, Capitan issued 563,676 common shares and Riverside compensated Capitan for $111,775.

The incremental fair value of 22,000 finders' warrants repriced during the year ended September 30, 2020, as result of the Arrangement, was estimated to be $768 on the modification date using the Black-Scholes option pricing model with the following weighted average assumptions: Risk-free interest rate – 0.27%, Expected life – 0.59 year, expected volatility - 114.05%, Expected dividend yield – Nil, Weighted average fair value per warrant - $0.30.

On March 19, 2021, the 22,000 finder's warrants expired unexercised.

Bonus share plan

The Company has a bonus share plan ("Bonus Plan") that enables the directors to approve the issuance of bonus shares to employees, officers, directors, and consultants of the Company. The Bonus Plan puts the number of bonus shares that may be issued under the Bonus Plan to be 400,000 common shares per year. During the years ended September 30, 2022, and 2021, nil bonus shares were issued under this plan.

(Expressed in Canadian Dollars)

Stock options

The Company has established a rolling stock option plan ("Option Plan") enabling the directors to grant options to employees, officers, directors, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Option Plan, provided that the total number of shares reserved for issuance by the Board shall not exceed 10% of the issued and outstanding listed shares (on a non-diluted basis) less that portion of the 400,000 that may be issued as bonus shares that have not been so issued as at the date of grant. Options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years. All stock options issued are subject to vesting terms. Options issued to directors, vest in the amount of 33% every six months from the date of grant; and options issued to officers and/or consultants vest between 12 and 24 months depending on date of grant and nature of service. The exercise price of each option equals the market price, minimum price, or discounted market price of the Company's shares as calculated on the date of grant.

Share-based payments relating to options vested during the year ended September 30, 2022, using the Black-Scholes option pricing model was $99,963 (2021 - $272,362), of which $nil was associated with the incremental fair value of stock options repriced as a result of the Arrangement. The associated share-based payment expense for the options granted during the year was calculated based on the following weighted average assumptions:

	September 30, 2022	September 30, 2021
Forfeiture rate	15% %	0.00%
Estimated risk-free rate	1.12%	1.16 %
Expected volatility	88.29%	89.30%
Estimated annual dividend yield	0.00 %	0.00 %
Expected life of options	5.00 years	5.00 years
Fair value per option granted	$ 0.15	$ 0.20

The number and weighted average exercise prices of the stock options are as follows:

	Number of options	**Weighted average exercise price**
Outstanding options, September 30, 2020	3,870,500	$ 0.18
Expired	(15,000)	$ 0.11
Granted	1,330,000	$ 0.30
Exercised	(717,500)	$ 0.11
Forfeited	(85,000)	$ 0.21
Outstanding options, September 30, 2021	4,383,000	$ 0.23
Expired	(935,000)	$ 0.32
Granted	2,000,000	$ 0.15
Forfeited	(710,000)	$ 0.15
Outstanding options, September 30, 2022	4,738,000	$ 0.20

During the year ended September 30, 2022, 710,000 stock options were forfeited and 935,000 stock options expired unexercised.

During the year ended September 30, 2021, 717,500 stock options were exercised, 85,000 stock options were forfeited and 15,000 stock options expired unexercised.

On October 19, 2020, the Company granted 1,330,000 incentive stock options (the "Options") to certain directors, officers, and consultants of the Company. The Options are exercisable at $0.30 per share for a period of five years from the date of grant. Options granted to individuals in their capacity as a director vest in three equal installments over 18 months and Options granted to officers and consultants vest in four equal installments over 12 months.

(Expressed in Canadian Dollars)

On November 17, 2021, the Company granted 1,000,000 incentive stock options (the "Options") to certain directors, officers, and consultants of the Company. The Options are exercisable at $0.16 per share for a period of five years from the date of grant. Options granted to individuals in their capacity as a director vest in three equal installments over 18 months and Options granted to officers and consultants vest in four equal installments over 12 months.

On September 2, 2021, the Company granted 1,000,000 incentive stock options (the "Options") to certain directors, officers, and consultants of the Company. The Options are exercisable at $0.13 per share for a period of five years from the date of grant. Options granted to individuals in their capacity as a director vest in three equal installments over 18 months and Options granted to officers and consultants vest in four equal installments over 12 months.

As at September 30, 2022, the Company has outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	Number of options outstanding	Weighted average remaining life in years	*Exercise price	Number of options exercisable
11/03/2022	578,000	0.09	$ 0.21	578,000
01/08/2024	475,000	1.27	$ 0.13	475,000
11/15/2024	725,000	2.13	$ 0.11	725,000
03/27/2025	50,000	2.49	$ 0.12	50,000
10/19/2025	1,070,000	3.05	$ 0.30	1,070,000
11/17/2026	840,000	4.00	$ 0.16	546,667
09/02//2027	1,000,000	4.93	$ 0.13	-
	4,738,000			3,444,667

*According to the Arrangement with Capitan on August 14, 2020, each Riverside Option were exchanged for one Riverside Replacement Option to acquire one New Riverside Share and one Capitan Option to acquire 0.2594 of a Capitan Share. As a result, the above exercise prices have been properly reflected to the new Riverside Replacement Option prices.

14. Income taxes

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	2022	2021
(Loss) Income for the year	$ (207,586)	$ 734,132
Expected income tax (recovery) expense	(56,000)	$198,000
Change in statutory, foreign tax, foreign exchange rates and other	(182,000)	21,000
Permanent difference	53,000	(137,000)
Impact on prior year provision per statutory tax return and expiry of non-capital losses	(520,000)	(788,000)
Change in unrecognized deductible temporary differences	535,000	706,000
Total income taxes	$ -	$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2022	2021
Deferred tax assets (liabilities)		
Non-capital losses	$ 1,321,000	$ 1,036,000
Exploration and evaluation assets	(1,321,000)	(1,036,000)
	$ -	$ -

(Expressed in Canadian Dollars)

The significant components of deductible temporary differences, unused tax losses and unused tax credits that have not been included on the consolidated statements of financial position are as follows:

	September 30, 2022	Expiry dates	September 30, 2021	Expiry dates
Share issue costs	$ 34,000	2043	$ 68,000	2042-2043
Allowable capital losses	120,000	No expiry date		
Non-capital losses	19,567,000	2024 to 2042	13,357,000	See below
Capital assets	382,000	No expiry date	393,000	N/A
Exploration and evaluation assets	(4,411,000)	No expiry date	441,000	N/A
Marketable securities	1,669,000		786,000	N/A
Canada	9,949,000	2027 to 2040	9,049,000	2027-2041
USA	11,000	2035 to indefinitely	7,000	2035-indefinitely
Mexico	$ 8,156,000	2026 to 2032	$ 4,301,000	2026-2031

Tax attributes are subject to review, and potential adjustment, by tax authorities.

15. Related party transactions

The Company had the following transactions with related parties:

Payee / Payer	Nature of transactions	Year ending September 30,	Fees ($)	Amount payable (receivable) at year end ($)
Arriva Management Inc.	Management and consulting fees (i)	2022 2021	249,040 246,400	52,300 61,066
GSBC Financial Management Inc.	Management and consulting fees (i)	2022 2021	96,000 96,000	Nil 8,400
Alberto Orozco	Consulting fees (i)	2022 2021	- 479	Nil Nil
FT Management Inc.	Management and consulting fees (i) and Rent (iii)	2022 2021	177,600 154,846	Nil 12,368
Omni Resource Consulting Ltd.	Consulting fees (i)	2022 2021	72,500 51,500	8,483 Nil
Brian Groves	Director fees	2022 2021	12,000 12,000	Nil Nil
Carol Ellis	Director fees	2022 2021	6,000 12,000	Nil Nil
Wendy T Chan	Director fees	2022 2021	6,000 -	Nil Nil
Walter Henry	Director fees	2022 2021	12,000 12,000	Nil Nil
First Helium Inc.	Rent (ii)	2022 2021	- (18,000)	Nil Nil

(Expressed in Canadian Dollars)

The remuneration of related parties during the year ended September 30, 2022, and 2021 are as follows:

	2022	2021
Directors' fees	$ 36,000	$ 36,000
Management and consulting fees (i)	536,940	483,729
Share-based payments	56,435	124,961
	$ 629,375	$ 644,690

(i) Management and consulting fees of the key management personnel for the year ended September 30, 2022, were allocated as follows: $224,400 (2021 - $184,350) expensed to consulting fees, $214,440 (2021 - $132,700) capitalized to exploration and evaluation assets and $98,100 (2021 - $166,679) capitalized to exploration work performed for alliances that will be reimbursed.

(ii) From February 2019 to June 2021, the Company agreed to share their office space with First Helium Inc. ("First Helium"), a company with a common officer with the Company. During the year ended September 30, 2022, the Company recognized rental recovery of $nil (2021 - $18,000) from First Helium, which was recorded in other income.

(iii) During the year ended September 30, 2022, the Company incurred rent expense of $58,200 (2021 - $75,496) for shared office spaces with FT Management Inc., a company controlled by spouses of officers of the Company.

16. Segmented information

The Company operates in one business segment, the exploration of exploration and evaluation assets and prospect generation. The Company's exploration activities are centralized whereby management of the Company is responsible for business results and the everyday decision-making. Geographical information is as follows:

	September 30, 2022	September 30, 2021
Equipment		
Canada	$ 3,373	$ 4,332
Mexico	164,754	229,738
	168,127	234,070
Exploration and evaluation assets		
Canada	1,656,935	836,420
Mexico	6,050,893	5,253,036
	7,707,828	6,089,456
Total	$ 7,875,955	$ 6,323,526

17. Supplemental disclosure with respect to cash flows

	September 30, 2022	September 30, 2021
Cash	$ 6,786,697	$ 5,837,104
Cash equivalents	136,483	135,280
	$ 6,923,180	$ 5,972,384

The significant non-cash transactions for the year ended September 30, 2022, were as follows:

a) Included in accounts payable was $299,901 in exploration and evaluation asset expenditures.
b) The Company received 500,000 Carlyle shares valued at $15,000 as exploration and evaluation recoveries (Note 9).
c) The Company received 500,000 Southern Empire shares valued at $55,000 as exploration and evaluation assets recoveries (Note 9).

The significant non-cash transactions for the year ended September 30, 2021, were as follows:

a) The Company received 500,000 Carlyle shares valued at $47,500 as exploration and evaluation recoveries (Note 9).
b) Included in accounts payable was $945,907 in exploration and evaluation asset expenditures.

18. Capital management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition and exploration of exploration and evaluation assets. In the management of capital, the Company includes components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage as such the Company is dependent on external financing to fund activities. To carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. The Company is not currently subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year ended September 30, 2022.

19. Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's cash and cash equivalents, receivables, accounts payable, and government loan approximate carrying value, which is the amount recorded on the statements of financial position. The fair value of the Company's public company short-term investments is based on level 1 quoted prices in active markets for identical assets and liabilities. Financial instruments valued at level 3 inputs consist of the Company's private company short-term investments. The key assumptions driving the valuation of the private company short-term investments include but are not limited to the value of completed financings by the investee.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's cash and cash equivalents are held with major financial institutions in Canada and Mexico which management believes the risk of loss to be remote. Receivables consist of tax refunds from the Federal Government of Canada and Mexico, in which regular collection occurs. The Company believes its credit risk is equal to the carrying value of this balance.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2022, the Company had cash and cash equivalents of $6,923,180 to settle current liabilities of $4,088,417. The Company believes it has sufficient funds to meet its current liabilities as they become due.

Interest rate risk

The Company has interest-bearing cash balances. The interest earned on cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of September 30, 2022, the Company had investments in short-term deposit certificates of $23,000.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, silver and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company currently maintains short-term investments, which include marketable securities (Note 5). There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of these securities.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables, and accounts payable and accrued liabilities that are denominated in US dollars (US) and Mexican pesos.

Sensitivity analysis

The Company operates in Mexico and is exposed to risk from changes in the US dollar and the Mexican peso. A simultaneous 10% fluctuation in the US dollar and Mexican peso against the Canadian dollar would affect loss for the period by $510,248.

The Company holds marketable securities and is exposed to risk from changes in the share price of the marketable securities. A simultaneous 5% fluctuation in share prices would affect short-term investments and profit or loss for the year by approximately $6,511.

20. Mexico tax liability

During the year ended September 30, 2019, the Company received a final verdict of a lawsuit against the Government of Mexico. The funds provided by the Company to its wholly owned subsidiary Riverside Resources Mexico S.A. de C.V. ("RRM") in fiscal 2010 were deemed to be income. The Mexican tax authority passed a decision to impose a lien on RRM's assets and a tax penalty of $1,131,026 on RMM. Accordingly, the Company recorded a tax penalty totaling $1,131,026. The Mexican tax authority has not enforced the lien and the lien does not impede RRM's ability to carry out its business operations.

At September 30, 2022, the Company adjusted the provisional liability to $1,117,637 (2021 - $1,022,086) as a result of the foreign exchange movement. The Company is currently negotiating with the tax authority on a settlement.

21. Subsequent events

On October 24, 2022, the Company's longest serving director passed away.

On January 11, 2023, the Company received additional 550,000 shares of Southern Empire Resources Corp. with a fair market value of $55,000 as per the option agreement for the Suaqui Verde property. Refer to Note 9 (f) for additional details.