Blue Sky Uranium Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed consolidated interim financial statements.

Blue Sky Uranium Corp.
Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2022 $	December 31, 2021 $
ASSETS			
Current assets			
Cash		1,037,825	3,287,023
Accounts receivable		29,431	12,082
Prepaid expenses		37,137	84,473
Total current assets		1,104,393	3,383,578
Non-current assets			
Mineral property interests	3	140,376	79,830
Total non-current assets		140,376	79,830
Total Assets		1,244,769	3,463,408
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	725,036	606,407
Total Liabilities		725,036	606,407
SHAREHODLERS' EQUITY			
Share capital	4	39,066,834	37,662,884
Reserves	4	11,640,211	10,975,741
Deficit		(50,187,312)	(45,781,624)
Total shareholders' equity		519,733	2,857,001
Total Shareholders' Equity and Liabilities		1,244,769	3,463,408

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENT (Note 9)

CONTINGENCY (Note 10)

SUBSEQUENT EVENTS (Note 13)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 22, 2022. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"David Terry" , Director

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

Blue Sky Uranium Corp.

Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

		Three months ended September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
	Note	$	$	$	$
Expenses					
Accounting and audit		-	-	-	281
Corporate development and investor relations		179,254	504,822	905,856	1,525,196
Exploration	3	1,677,474	736,124	4,964,143	2,632,823
Management fees	5	28,200	42,000	84,600	126,750
Office and sundry	5	7,578	24,314	21,154	38,765
Professional fees	5	41,891	42,341	118,706	165,591
Rent, parking and storage		4,310	4,310	12,930	12,930
Salaries and employee benefits	5	59,085	51,000	177,255	153,000
Share-based compensation		-	-	-	1,141,549
Transfer agent and regulatory fees		36,554	27,818	67,268	78,461
Loss from operating activities		2,034,346	1,432,729	6,351,912	5,875,346
Other (income) expenses					
Foreign exchange gain		42,578	(29,387)	(250,132)	(188,525)
Gain on sale of marketable securities		(553,305)	(295,972)	(1,688,386)	(295,972)
Interest income		(6,108)	(2,131)	(7,706)	(4,277)
Interest expense		-	-	-	1,984
Income from other items		(516,835)	(327,490)	(1,946,224)	(486,790)
Loss and comprehensive loss for the period		1,517,511	1,105,239	4,405,688	5,388,556
Basic and diluted loss per common share ($)	6	0.01	0.01	0.02	0.03

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

Blue Sky Uranium Corp.
Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended September 30,	
	2022	2021
	$	$
Cash flows used in operating activities		
Loss for the period	(4,405,688)	(5,388,556)
Interest expense	-	1,984
Drilling to be paid in shares	-	343,843
Share-based compensation	-	1,141,549
	(4,405,688)	(3,901,180)
Change in non-cash working capital items:		
Increase in accounts receivable	(17,349)	(13,644)
Decrease in prepaid expenses	47,336	1,628
Increase (decrease) in accounts payable and accrued liabilities	118,629	(125,586)
Net cash used in operating activities	(4,257,072)	(4,038,782)
Cash flow used in investing activities		
Expenditures on mineral property interests	(60,546)	(7,234)
Net cash used in investing activities	(60,546)	(7,234)
Cash flows from financing activities		
Issuance of common shares and warrants	2,100,000	6,573,074
Share issue costs	(91,205)	(133,565)
Warrants exercised	59,625	569,299
Loan repayment	-	(1,404,000)
Interest paid	-	(38,187)
Net cash from financing activities	2,068,420	5,566,621
Net (decrease) increase in cash	(2,249,198)	1,520,605
Cash at beginning of period	3,287,023	1,215,569
Cash at end of period	1,037,825	2,736,174

SUPPLEMENTARY CASH FLOW INFORMATION (Note 11)

Blue Sky Uranium Corp.

Consolidated Statements of Changes in (Deficiency) Equity

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves					
	Number of Shares	Amount $	Contributed Surplus $	Equity Settled Share-based Payments $	Warrants	Obligation to issue shares	Accumulated Deficit $	Total
Balance at December 31, 2020	120,110,232	29,875,000	4,617,438	740,635	2,372,592	1,017,510	(39,311,004)	(687,829)
Private placements	55,316,166	5,212,790	-	-	2,377,794	(1,017,510)	-	6,573,074
Share issue costs	-	(133,565)	-	-	-	-	-	(133,565)
Obligation to issue shares for drilling	-	-	-	-	-	343,843	-	343,843
Agent warrants granted	-	(76,565)	-	-	76,565	-	-	-
Warrants exercised	2,277,195	658,850	-	-	(89,551)	-	-	569,299
Warrants and agents' warrants expired	-	-	571,950	-	(571,950)	-	-	-
Share-based compensation	-	-	-	1,141,549	-	-	-	1,141,549
Comprehensive loss for the period	-	-	-	-	-	-	(5,388,556)	(5,388,556)
Balance at September 30, 2021	177,703,593	35,536,510	5,189,388	1,882,184	4,165,450	343,843	(44,699,560)	2,417,815
Shares issued for drilling services	1,666,714	343,843	-	-	-	(343,843)	-	-
Incentive warrants granted	-	-	(666,249)	-	666,249	-	-	-
Warrants exercised	6,085,000	1,782,531	-	-	(261,281)	-	-	1,521,250
Warrants and agents' warrants expired	-	-	45,292	-	(45,292)	-	-	-
Comprehensive loss for the period	-	-	-	-	-	-	(1,082,064)	(1,082,064)
Balance at December 31, 2021	185,455,307	37,662,884	4,568,431	1,882,184	4,525,126	-	(45,781,624)	2,857,001
Private placements	14,000,000	1,462,532	-	-	637,468	-	-	2,100,000
Share issue costs	-	(91,205)	-	-	-	-	-	(91,205)
Agents' warrants granted	-	(36,984)	-	-	36,984	-	-	-
Warrants exercised	238,500	69,607	-	-	(9,982)	-	-	59,625
Warrants and agents' warrants expired		-	1,120	-	(1,120)	-	-	-
Comprehensive loss for the period	-	-	-	-	-	-	(4,405,688)	(4,405,688)
Balance at September 30, 2022	199,693,807	39,066,834	4,569,551	1,882,184	5,188,476	-	(50,187,312)	519,733

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

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated under the Business Corporation Act of British Columbia on November 30, 2005 as Mulligan Capital Corp. On May 18, 2006, the Company received final receipts for a prospectus and became a reporting issuer in British Columbia and Alberta. On June 27, 2006 the Company completed its initial public offering and on June 28, 2006 the Company listed its common shares on the TSX Venture Exchange (the "TSX-V") as a capital pool company. On February 7, 2007, the Company completed its qualifying transaction and was upgraded to Tier II status on the TSX-V. The Company also changed its name to Blue Sky Uranium Corp. to reflect its business as a junior uranium exploration company. The address of the Company's registered office is Suite 312 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in Argentina. The Company's mineral property interests presently have no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. Consequently, the Company considers itself to be an exploration stage company.

The amounts shown as mineral property interests represent acquisition costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral property interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and future profitability of the properties.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to consolidated financial statements and to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has experienced recurring operating losses and has an accumulated deficit of $50,187,312 and shareholders' equity of $519,733 at September 30, 2022. In addition, the Company has working capital of $379,357 at September 30, 2022 and negative cash flow from operating activities of $4,257,072. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors create material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals.

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as "COVID-19" as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

These condensed consolidated interim financial statements do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations, using accounting policies consistent with International Financial Reporting Standards ("IFRS") and accordingly, certain information and note disclosure included in the annual consolidated financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Company's December 31, 2021 audited annual consolidated financial statements.

Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Place of Incorporation	Principal Activity
Blue Sky Uranium Holdings Corp.	BC, Canada	Holding company
Minera Cielo Azul S.A. (Argentina)	Argentina	Exploration company
Desarrollo de Inversiones S.A. (Argentina)	Argentina	Exploration company
Viento de Oro S.A. de C.V. (Mexico)	Mexico	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Estimates and Judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These condensed consolidated interim financial statements include estimates which, 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. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

1. The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment or a reversal of previously recorded impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Critical accounting judgments

i. Presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

ii. The analysis of the functional currency for each entity of the Company involves significant estimation and judgement by management. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

Changes in Accounting Standards

Amendments to IFRS 3, Business Combinations (effective January 1, 2020) assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. It amends the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and it excludes returns in the form of lower costs and other economic benefits. This amendment did not have an impact on the Company's consolidated financial statements.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards and Interpretations not yet effective

Amendments to IAS 37, Provisions, contingent liabilities and contingent assets (effective January 1, 2022) specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. 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). This amendment is not expected to have any impact on the Company's consolidated financial statements.

3. MINERAL PROPERTY INTERESTS

The schedules below summarize the acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company holds title to and is continuing to explore as June 30, 2022:

Acquisition Costs

	Argentina		
	Ivana **$**	**Regalo** **$**	**Total** **$**
Balance – December 31, 2020	45,876	25,000	70,876
Additions	7,234	-	7,234
Balance – September 30, 2021	53,110	25,000	78,110
Additions	1,720	-	1,720
Balance – December 31, 2021	54,830	25,000	79,830
Additions	60,546	-	60,546
Balance – September 30, 2022	115,376	25,000	140,376

Ivana Property

The Company owns a 100% interest in the 83,800 hectare (838 km^2) Ivana uranium property in the San Jorge Basin, Province of Rio Negro, located in the Northern Patagonia region of Argentina. The Ivana property forms the southeastern portion of Amarillo Grande Project.

Regalo Property

The Company owns a 100% interest in the 23,300 hectare (233 km^2) Regalo property located northwest of the Cerro Solo Uranium District in the province of Chubut Argentina.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina		
	Amarillo Grande		
	Ivana $	Other* $	Total $
Cumulative exploration costs December 31, 2021	14,447,411	7,437,372	21,884,783
Expenditures during the period:			
Assays	77,847	-	77,847
Drilling (see also Note 5)	1,331,772	-	1,331,772
Geophysics	79,869	-	79,869
Metallurgy	5,780	-	5,780
Office	581,546	9,419	590,965
Property maintenance payments	-	16,306	16,306
Salaries and contractors	1,285,754	(2,289)	1,283,465
Social and community	35,639	-	35,639
Statutory taxes	573,698	2,062	575,760
Supplies and equipment	672,048	-	672,048
Transportation	294,692	-	294,692
	4,938,645	25,498	4,964,143
Cumulative exploration costs September 30, 2022	19,386,056	7,462,870	26,848,926

*Other includes Anit, Santa Barbara, and Sierra Colonia.

	Argentina		
	Amarillo Grande		
	Ivana $	Other* $	Total $
Cumulative exploration costs December 31, 2020	10,916,731	7,408,091	18,324,822
Expenditures during the period:			
Assays	9,942	-	9,942
Drilling (see also Notes 5 and 9)	285,930	-	285,930
Geophysics	72,559	-	72,559
Metallurgy and mineralogy	51,374	-	51,374
Office	388,350	1,696	390,046
Property maintenance payments	24,652	19,678	44,330
Salaries and contractors	851,429	-	851,429
Social and community	34,098	-	34,098
Statutory taxes	246,649	2,062	248,711
Supplies and equipment	407,503	-	407,503
Transportation	236,901	-	236,901
	2,609,387	23,436	2,632,823
Cumulative exploration costs September 30, 2021	13,526,118	7,431,527	20,957,645

*Other includes Anit, Santa Barbara, and Sierra Colonia.

4. SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company's authorized share capital comprises an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in 2022

On June 22, 2022, the Company completed the third and final tranche of the non-brokered private placement announced on May 24, 2022 and increased on June 8, 2022. The Company issued 2,261,000 units in this tranche at a price of $0.15 per unit for gross proceeds of $339,150. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.25 per share for three years from the date of issue. Finder's fees payable were $20,275 cash and 135,170 non-transferable warrants exercisable into common shares at $0.25 for three years from the date of issue. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.22%; expected stock price volatility – 102.55%; dividend yield – 0%; and expected warrant life – 1.869 years.

On June 14, 2022, the Company completed the second tranche of the non-brokered private placement announced on May 24, 2022 and increased on June 8, 2022. The Company issued 6,045,000 units in this tranche at a price of $0.15 per unit for gross proceeds of $906,750. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.25 per share for three years from the date of issue. Finder's fees payable were $45,465 cash and 303,100 non-transferable warrants exercisable into common shares at $0.25 for three years from the date of issue. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.42%; expected stock price volatility – 102.31%; dividend yield – 0%; and expected warrant life – 1.881 years.

On June 7, 2022, the Company completed the first tranche of the non-brokered private placement announced on May 24, 2022 and increased on June 8, 2022. The Company issued 5,694,000 units in this tranche at a price of $0.15 per unit for gross proceeds of $854,100. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.25 per share for three years from the date of issue. Finder's fees payable were $25,465 cash and 169,097 non-transferable warrants exercisable into common shares at $0.25 for three years from the date of issue. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 2.99%; expected stock price volatility – 101.93%; dividend yield – 0%; and expected warrant life – 2.4 years.

Details of Issues of Common Shares in 2021

On August 5, 2021, the Company completed the third and final tranche of the non-brokered private placement announced on July 12, 2021. The Company issued 338,339 units in this tranche at a price of $0.16 per unit for gross proceeds of $54,134. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.25 per share for two years from the date of issue. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 0.41%; expected stock price volatility – 106.39%; dividend yield – 0%; and expected warrant life – 2 years.

4. SHARE CAPITAL AND RESERVES (continued)

On July 30, 2021, the Company completed the second tranche of the non-brokered private placement announced on July 12, 2021. The Company issued 4,264,000 units in this tranche at a price of $0.16 per unit for gross proceeds of $682,240. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.25 per share for two years from the date of issue. Finder's fees payable were $14,703 cash and 91,893 non-transferable warrants exercisable into common shares at $0.25 for two years from the date of issue with a fair value of $7,331. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 0.38%; expected stock price volatility – 105.99%; dividend yield – 0%; and expected warrant life – 2 years.

On July 21, 2021, the Company completed the first tranche of the non-brokered private placement announced on July 12, 2021. The Company issued 8,713,750 units in this tranche at a price of $0.16 per unit for gross proceeds of $1,394,200. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.25 per share for two years from the date of issue. Finder's fees payable were $34,300 cash and 214,375 non-transferable warrants exercisable into common shares at $0.25 for two years from the date of issue with a fair value of $20,226. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 0.39%; expected stock price volatility – 105.8%; dividend yield – 0%; and expected warrant life – 2 years.

On January 26, 2021, the Company completed the second and final tranche of the non-brokered private placement announced on December 29, 2020 and increased on January 5, 2021. The Company issued 19,086,500 units in this tranche at a price of $0.13 per unit for gross proceeds of $2,481,245. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.25 per share for three years from the date of issue. Finder's fees payable were $71,799 cash and 552,300 non-transferable warrants exercisable into common shares at $0.25 for three years from the date of issue. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 0.16%; expected stock price volatility – 103.89%; dividend yield – 0%; and expected warrant life – 2 years.

On January 11, 2021, the Company completed the first tranche of the non-brokered private placement announced on December 29, 2020 and increased on January 5, 2021. The Company issued 22,913,577 units in this tranche at a price of $0.13 per unit for gross proceeds of $2,978,765. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.25 per share for three years from the date of issue. Finder's fees payable were $12,763 cash and 98,175 non-transferable warrants exercisable into common shares at $0.25 for three years from the date of issue. Included in this tranche were $1,017,510 of subscription proceeds that were received prior to December 31, 2020. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 0.18%; expected stock price volatility – 103.53%; dividend yield – 0%; and expected warrant life – 2.07 years.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers for a maximum term of ten years. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. SHARE CAPITAL AND RESERVES (continued)

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX Venture Exchange. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of five years.

Options

The continuity of share purchase options for the nine months ended September 30, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Granted	Exercised	Expired/ Forfeited	September 30, 2022	Options Exercisable
January 23, 2023[1]	$0.30	4,170,000	-	-	-	4,170,000	4,170,000
January 29, 2026[1]	$0.25	12,000,000	-	-	-	12,000,000	12,000,000
		16,170,000	-	-	-	16,170,000	16,170,000
Weighted average exercise price ($)		0.26	-	-	-	0.26	0.26
Weighted average contractual remaining life (years)		3.30	-	-	-	2.56	2.56

(1) See Note 13 for further information.

The continuity of share purchase options for the nine months ended September 30, 2021 is as follows:

Expiry date	Exercise Price	December 31, 2020	Granted	Exercised	Expired/ Forfeited	September 30, 2021	Options Exercisable
January 23, 2023	$0.30	4,170,000	-	-	-	4,170,000	4,170,000
January 29, 2026	$0.25	-	12,000,000	-	-	12,000,000	12,000,000
		4,170,000	12,000,000	-	-	16,170,000	16,170,000
Weighted average exercise price ($)		0.30	0.25	-	-	0.26	0.26
Weighted average contractual remaining life (years)		2.1	-	-	-	3.56	3.56

The weighted average fair value of share purchase options granted during the nine months ended September 30, 2022 is $Nil (2021 - $0.10).

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Nine months ended September 30,	
	2022	2021
Risk-free interest rate	-	0.34%
Expected option life in years	-	2.86
Expected share price volatility[1]	-	102.25%
Grant date share price	-	$0.18
Expected forfeiture rate	-	-
Expected dividend yield	-	Nil

(1) Expected volatility was estimated based on historical trading price.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. SHARE CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the nine months ended September 30, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Granted	Exercised	Expired/ Cancelled	September 30, 2022
December 19, 2022	$0.30	5,940,064	-	-	-	5,940,064
February 28, 2023	$0.35	7,258,500	-	-	-	7,258,500
June 4, 2023	$0.25	2,289,012	-	(100,000)	(29,162)	2,159,850
June 11, 2023	$0.30	24,906,588	-	-	-	24,906,588
July 11, 2023	$0.25	2,043,332	-	-	-	2,043,332
July 21, 2023	$0.25	8,928,125	-	(100,000)	-	8,828,125
July 30, 2023	$0.25	4,355,893	-	-	-	4,355,893
August 5, 2023	$0.25	338,339	-	-	-	338,339
January 11, 2024	$0.25	21,274,557	-	(38,500)	-	21,236,057
January 26, 2024	$0.25	17,998,800	-	-	-	17,998,800
October 23, 2024	$0.35	4,760,000	-	-	-	4,760,000
June 7, 2025	$0.25	-	5,863,097	-	-	5,863,097
June 14, 2025	$0.25	-	6,348,100	-	-	6,348,100
June 22, 2025	$0.25	-	2,396,170	-	-	2,396,170
		100,093,210	14,607,367	(238,500)	(29,162)	114,432,915
Weighted average exercise price ($)		0.27	-	0.25	0.25	0.26

24,906,588 warrants set to expire on June 11, 2022 were extended to June 11, 2023 during the six months ended June 30, 2022. These warrants were originally issued on June 11, 2018 and originally set to expire on June 11, 2020 as part of the units issued under a private placement completed by the Company in June 2018. The exercise price of the warrants remains at $0.30.

4,203,182 warrants set to expire on June 4 and July 11, 2022 were extended to June 4 and July 11, 2024 during the six months ended June 30, 2022. These warrants were originally issued under a private placement completed by the Company in two tranches in June and July 2019. The exercise price of the warrants remains at $0.25.

7,258,500 warrants set to expire on February 28, 2022 were extended to February 28, 2023 during the six months ended June 30, 2022. These warrants were originally issued on March 1, 2018 and originally set to expire on February 28, 2020 as part of the units issued under a private placement completed by the Company in February 2018 and are also subject to an accelerator. The exercise price of the warrants remains at $0.35.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. SHARE CAPITAL AND RESERVES (continued)

The continuity of warrants for the nine months ended September 30, 2021 is as follows:

Expiry date	Exercise Price	December 31, 2020	Granted	Exercised	Expired/ Cancelled	September 30, 2021
September 19, 2021	$0.50	4,180,966	-	-	(4,180,966)	-
October 23, 2021	$0.25	5,793,333	-	-	-	5,793,333
February 28, 2022	$0.35	7,258,500	-	-	-	7,258,500
June 4, 2022	$0.25	2,514,012	-	(150,000)	-	2,364,012
June 11, 2022	$0.30	24,906,588	-	-	-	24,906,588
July 11, 2022	$0.25	2,043,332	-	-	-	2,043,332
December 19, 2022	$0.30	5,940,064	-	-	-	5,940,064
July 21, 2023	$0.25	-	8,928,125	-	-	8,928,125
July 30, 2023	$0.25	-	4,355,893	-	-	4,355,893
August 5, 2023	$0.25	-	338,339	-	-	338,339
January 11, 2024	$0.25	-	23,011,752	(1,737,195)	-	21,274,557
January 26, 2024	$0.25	-	19,638,800	(390,000)	-	19,248,800
		52,636,795	56,272,909	(2,277,195)	(4,180,966)	102,451,543
Weighted average exercise price ($)		0.31	0.25	0.25	0.50	0.26

5. RELATED PARTY BALANCES AND TRANSACTIONS

Grosso Group Management Ltd.

On April 1, 2010, the Company entered into a Management Services Agreement (“Agreement”) with Grosso Group Management Ltd. (Grosso Group) to provide services and facilities to the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group’s costs including its staff and overhead costs among the member companies. The fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expires on December 31, 2022 and is automatically renewed for a period of two years pursuant to the terms of the Agreement.

The Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of $750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of $1,000,000.

	Nine months ended September 30,	
	2022	2021
Transactions	$	$
Services rendered:		
Grosso Group Management Ltd.		
Management fees	84,600	126,750
Office & sundry	14,400	16,350
Total for services rendered	99,000	143,100

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Key management personnel compensation

Key management personnel of the company are members of the Board of Directors, as well as the Executive Chairman, President and CEO, CFO and Vice President of Corporate Development.

		Nine months ended September 30,	
Transactions		2022 $	2021 $
Share-based compensation		-	772,924
Consulting, salaries and professional fees to key management or their consulting corporations:			
President/CEO/Director	Salaries and employee benefits	46,755	45,000
CFO	Salaries and employee benefits	22,500	9,000
Directors/Consultants	Salaries, employee benefits and professional fees	109,500	109,500
Total for services rendered		178,755	163,500

	As at September 30,	
Balances	2022 $	2021 $
Amounts owed to related parties		
Payable to Golden Arrow Resources Corp.(1)	260,973	41,146
Payable to Oxbow International Marketing Ltd.(2)	392	330
Payable to Grosso Group Management Ltd. (2)	296,436	312,795
Total shared costs included in accounts payable	557,801	354,271

(1) A company related through common directors that receives reimbursement for shared office costs and overhead.
(2) A company owned by Joseph Grosso of Blue Sky Uranium Corporation.

Balances are unsecured, non-interest bearing and has no specific terms of repayment.

6. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the nine months ended September 30, 2022 and 2021 was based on the following:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Loss attributable to common shareholders ($)	1,517,511	1,105,239	4,405,688	5,388,556
Weighted average number of common shares outstanding	199,693,807	172,264,947	191,283,454	161,893,991

Diluted loss per share did not include the effect of 16,170,000 (September 30, 2021 – 16,170,000) share purchase options and 114,432,915 (September 30, 2021 – 102,451,543) common share purchase warrants as they are anti-dilutive.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. MARKETABLE SECURITIES

The Company may acquire and transfer marketable securities from time to time, to facilitate intragroup funding transfers between the Canadian parent and its Argentine operating subsidiaries. The Company does not acquire marketable securities and engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large and well-established companies with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations are unavoidable. As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments between acquisition and disposition are recognized through profit or loss.

As a result of having utilized this mechanism for intragroup funding for the nine months ended September 30, 2022, the Company realized a gain of $1,688,386 (September 30, 2021 – $295,972) from the favorable foreign currency impact.

8. OPERATING SEGMENTS

The Company is primarily involved in mineral exploration activities in Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the six months ended June 30, 2022.

The Company's total non-current assets are segmented geographically as follows:

	September 30, 2022	
	Argentina $	Total $
Mineral property interests	140,376	140,376
	140,376	140,376

	December 31, 2021	
	Argentina $	Total $
Mineral property interests	79,830	79,830
	79,830	79,830

9. COMMITMENT

Management Services Agreement

Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current fee is $9,400 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

The table below represents the Company's aggregate commitment to Grosso Group over the term of the Management Services Agreement.

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Management Services Agreement	28,200	-	-	-	-

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

10. CONTINGENCY

The Company's wholly owned Argentine subsidiary, Minera Cielo Azul S.A. ("MCA") was named in a lawsuit by anti-mining, environmental activists in Argentina who are asserting environmental protection rights, among other arguments ("Amparo") against the Amarillo Grande project, comprised of Ivana, Anit and Santa Barbara projects (the "Project"). As the outcome of this matter was uncertain, no provision was accrued in respect to this action, as the Company believed the claim to be without merit and vigorously defended the claim in Court.

The lawsuit introduced before the Supreme Court of the Province of Rio Negro and a subsequent appeal filed before the same Court against the Company by anti-mining, environmental activists in Argentina have been dismissed. The plaintiffs have not filed any further appeals and therefore the ruling is final.

11. SUPPLEMENTARY CASH FLOW

	Nine months ended September 30,	
	2022	2021
	$	$
Non-cash investing and financing activities:		
Share issue cost – issuance of warrants to agents	36,984	76,565
Obligation to issue shares for drilling services received	-	343,843
Warrants exercised	9,982	-

12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

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

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

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

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, interest payable, and loans payable. The recorded amounts approximate their fair value due to their short-term nature.

12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company has reduced its credit risk by depositing its cash and short-term investments with financial institutions that operate globally. Therefore, the Company is not exposed to significant credit risk and the Company's overall credit risk has not changed significantly from the prior year.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future. See Note 1 for further information.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: cash, and accounts payable all denominated in United States dollars and Argentinean pesos. A 10% change in US dollar and the Argentinean peso exchange rates relative to Canadian dollar would have insignificant impact on the Company's net loss:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $6,000.

- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $8,000.

(ii) ***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The fair value of cash approximates its carrying value due to the immediate or short-term maturity of this financial instrument. Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

(c) Capital Management

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to develop its mineral projects and may require doing so again in the future. The Company is monitoring market conditions to secure funding at the lowest cost of capital. The Company is exposed to various funding and market risks which could curtail its access to funds. The Company is not subject to any external covenants. There were no changes in the Company's approach to capital management during the nine months period ended September 30, 2022.

13. SUBSEQUENT EVENTS

Stock Options Expired

150,000 stocks options with an exercise price of $0.27 per stock option expired.

Private Placement

On November 21, 2022, the Company opened a non-brokered private placement financing of up to 10,000,000 units at a price of $0.10 per unit (the "Units") for gross proceeds of $1,000,000.

Each Unit will consist of one common share and one transferrable common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at $0.20 per share for two years from the date of issue.

This financing is subject to regulatory approval and all securities to be issued pursuant to the financing are subject to a four-month hold period under applicable Canadian securities laws. Directors, officers and employees of the Company may participate in a portion of the financing. A commission may be paid on a portion of the financing. The proceeds of the financing will be used for general working capital and exploration on its properties in Argentina.