

**BELMONT RESOURCES INC.**

**Condensed Interim Consolidated Financial Statements**

**Period ended July 31, 2022**

**(Unaudited - Expressed in Canadian Dollars)**

### **NOTICE TO READER**

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

The accompanying unaudited interim financial statements have been prepared by and are the responsibility of the management.

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

**BELMONT RESOURCES INC.**Condensed Interim Consolidated Statements of Financial Position  
(Unaudited - Expressed in Canadian dollars)

	Notes	July 31, 2022	January 31, 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$	221,977	\$ 379,527
Marketable securities		242,976	239,560
Receivables		14,099	12,749
Prepaid expense		4,352	8,044
		483,404	639,880
<b>Non-current assets</b>			
Property and equipment	3	13,604	15,193
Exploration and evaluation assets	4	2,498,282	1,917,232
Reclamation bond	4	97,954	97,954
		2,609,840	2,030,379
<b>TOTAL ASSETS</b>		<b>\$ 3,093,244</b>	<b>\$ 2,670,259</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and accrued liabilities	5 \$	306,291	\$ 309,522
Due to related parties	8	32,500	111,500
Flow-through share premium liability	6	-	26,605
		338,791	447,627
<b>TOTAL LIABILITIES</b>		<b>338,791</b>	<b>447,627</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	25,349,475	24,634,307
Reserves	7	1,612,537	1,617,941
Deficit		(24,207,559)	(24,029,616)
<b>TOTAL EQUITY</b>		<b>2,754,453</b>	<b>2,222,632</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 3,093,244</b>	<b>\$ 2,670,259</b>

Nature and continuance of operations (Note 1)

Commitments (Note 5)

Subsequent events (Note 5, 12)

Approved on Behalf of the Board:

*"George Sookochoff"*

Director

*"Gary Musil"*

Director

See accompanying notes to the consolidated financial statements

**BELMONT RESOURCES INC.**Condensed Interim Consolidated Statements of Comprehensive Loss  
(Unaudited - Expressed in Canadian dollars)

	Notes	Three months ended		Six months ended	
		July 31, 2022	July 31, 2021	July 31, 2022	July 31, 2021
<b>Expenses</b>					
Amortization	3	\$ 795	\$ 764	\$ 1,590	\$ 1,528
Consulting fees		10,448	8,840	20,845	41,440
Legal and audit		25,419	7,018	55,379	17,318
Office and miscellaneous		1,574	2,131	3,985	5,455
Property costs		-	941	-	1,863
Regulatory fees		4,173	4,712	11,870	7,911
Rent	8	4,500	4,500	9,000	9,000
Salaries and administration services	8	48,429	48,365	97,575	98,325
Shareholder relations		5,266	177	5,568	177
Stock based payment	7, 8				
Directors		-	-	56,395	-
Consultants		12,538	-	12,538	-
Telephone and internet		391	537	1,144	1,107
Transfer agent fees		3,800	2,112	6,098	4,068
Travel and promotion		16,615	4,020	31,068	12,514
		(133,948)	(84,117)	(313,055)	(200,706)
<b>Other items</b>					
Foreign exchange gain (loss)		7,354	-	8,507	-
Gain (loss) on disposition of equipment		-	-	-	(284)
Gain on option payments received				100,000	
Gain on sale of securities		-	-	-	225
Loss on debt settlement		-	(84,155)	-	(84,155)
Recovery of flow-through premium liability	6	-	4,043	26,605	89,171
<b>Net loss for the period</b>		<b>(126,594)</b>	<b>(164,229)</b>	<b>(177,943)</b>	<b>(195,749)</b>
<b>Other comprehensive income</b>					
Unrealized gains (losses) on financial assets		40,038	1,992	69,584	6,721
<b>Total comprehensive loss for the period</b>		<b>\$ (86,556)</b>	<b>\$ (162,237)</b>	<b>\$ (108,359)</b>	<b>\$ (189,028)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of shares</b>		<b>63,243,267</b>	<b>46,102,986</b>	<b>59,799,126</b>	<b>45,126,447</b>

See accompanying notes to the consolidated financial statements

**BELMONT RESOURCES INC.**Condensed Interim Statement of Changes in Shareholders' Equity (Deficiency)  
(Unaudited - Expressed in Canadian dollars)

	Share capital		Share subscription Advance	Reserves		Deficit	Total
	Number of shares	Amount		Stock-based reserve	Revaluation of financial assets		
<b>Balance at February 1, 2021</b>	<b>41,932,155</b>	<b>\$ 23,952,749</b>	<b>\$ -</b>	<b>\$ 1,630,480</b>	<b>\$ (9,864)</b>	<b>\$ (23,701,661)</b>	<b>\$ 1,871,704</b>
Loss for the period	-	-	-	-	-	(195,749)	(195,749)
Other comprehensive income	-	-	-	-	6,721	-	6,721
Total comprehensive loss for the period	-	-	-	-	6,721	(195,749)	(189,028)
Shares issued for cash							
- Private placement (units)	4,393,450	266,720	(10,500)	-	-	-	256,220
- Options	875,000	111,982	-	(55,732)	-	-	56,250
- Warrants	350,000	28,000	-	-	-	-	28,000
Share issue costs	-	(25,878)	-	4,528	-	-	(21,350)
Shares issued to acquire exploration and evaluation asset	819,167	57,437	-	-	-	-	57,437
	6,437,617	438,261	(10,500)	(51,204)	-	-	376,557
<b>Balance at July 31, 2021</b>	<b>48,369,772</b>	<b>\$ 24,391,010</b>	<b>\$ (10,500)</b>	<b>\$ 1,579,276</b>	<b>\$ (3,143)</b>	<b>\$ (23,897,410)</b>	<b>\$ 2,059,233</b>
<b>Balance at January 31, 2022</b>	<b>52,544,772</b>	<b>\$ 24,634,307</b>	<b>\$ -</b>	<b>\$ 1,652,053</b>	<b>(34,112)</b>	<b>\$ (24,029,616)</b>	<b>\$ 2,222,632</b>
Loss for the period	-	-	-	-	-	(177,943)	(177,943)
Other comprehensive income	-	-	-	-	(69,584)	-	(69,584)
Total comprehensive loss for the period	-	-	-	-	(103,696)	(177,943)	(247,527)
Shares issued for cash							
- private placement (units)	7,470,000	522,900	-	-	-	-	522,900
- w warrants	2,943,500	147,175	-	(4,753)	-	-	142,422
Share issue costs	-	(6,407)	-	-	-	-	(6,407)
Shares issued to acquire exploration and evaluation assets	800,000	51,500	-	-	-	-	51,500
Share-based payment	-	-	-	68,933	-	-	68,933
	11,213,500	715,168	-	64,180	-	-	779,348
<b>Balance at July 31, 2022</b>	<b>63,758,272</b>	<b>\$ 25,349,475</b>	<b>\$ -</b>	<b>\$ 1,716,233</b>	<b>(103,696)</b>	<b>\$ (24,207,559)</b>	<b>\$ 2,754,453</b>

See accompanying notes to the consolidated financial statements

**BELMONT RESOURCES INC.**

Condensed Interim Consolidated Statements of Cash Flows  
(Unaudited - Expressed in Canadian dollars)

	<b>Six months ended</b>	
	<b>July 31, 2022</b>	<b>July 31, 2021</b>
<b>Operating activities:</b>		
Net loss for the period:	\$ (177,943)	\$ (195,749)
Adjustments for non-cash items:		
Amortization	1,589	1,528
Foreign exchange gain	(886)	
Reversal of flow-through share premium liability	(26,605)	(89,171)
Realized gain on sale of marketable securities	-	(225)
Bad debt expense	-	84,438
Loss (gain) on disposal of equipment	-	284
Share-based payments	68,933	-
Changes in non-cash items:		
Receivables	(1,350)	18,154
Prepaid expenses	3,692	(2,100)
Trade payables and accrued liabilities	(3,224)	(15,907)
<b>Net cash flows from (used in) operating activities</b>	<b>(135,794)</b>	<b>(198,748)</b>
<b>Investing Activities</b>		
Expenditures on exploration and evaluation assets	(687,557)	(446,727)
Option payments received in cash	100,000	-
Proceeds from disposal of marketable securities	-	402
Acquisition (disposal) of equipment	-	(1,426)
Advances from (to) related parties	(79,000)	12,993
<b>Net cash flows from (used in) investing activities</b>	<b>(666,557)</b>	<b>(434,758)</b>
<b>Financing activities</b>		
Shares issued for cash	657,104	391,791
Share subscription	-	(10,500)
Share issuance costs - cash	(13,189)	(11,200)
<b>Net cash flows from (used in) financing activities</b>	<b>643,915</b>	<b>370,091</b>
Effect of exchange rate on cash	886	-
<b>(Decrease) Increase in cash</b>	<b>(157,550)</b>	<b>(263,415)</b>
<b>Cash, beginning</b>	<b>379,527</b>	<b>441,586</b>
<b>Cash, ending</b>	<b>\$ 221,977</b>	<b>\$ 178,171</b>

Non-cash transactions (Note 12)

See accompanying notes to the consolidated financial statements

## **BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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### **1. Nature and continuance of operations**

Belmont Resources Inc. (the "Company") is incorporated under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada and the USA. The Company's shares are traded on the TSX Venture Exchange ("Exchange") under the symbol "BEA".

The corporate head office and principal place of business of the Company is 800 West Pender Street, Suite 615, Vancouver, British Columbia, Canada, V6C 2V6.

#### *Going concern*

The consolidated financial statements have been prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned significant revenue and has an accumulated deficit of \$24,207,559. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and/or achieve profitable operations in the future. The Company's financing efforts to date, while substantial, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations. Management will pursue funding initiatives if, as and when required to meet the Company's requirements on an ongoing basis. However, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

#### *COVID-19*

The outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of new variants. The COVID-19 pandemic, including the recent variants, has also caused, and is likely to continue to cause, severe economic, market, workforce and other disruptions worldwide as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events remain highly uncertain and as such, the Company cannot determine their financial impact at this time.

### **2. Significant accounting policies and basis of preparation**

These consolidated financial statements were authorized for issue on September 29, 2022 by the Board of Directors.

#### ***Basis of presentation and statement of compliance***

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Issues Committee ("IFRIC"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. These financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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**2. Significant accounting policies and basis of preparation (continued)**

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 31 January 2022.

***Basis of measurement***

These consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of Belmont Resources Inc. and its wholly-owned subsidiary, Belmont Nevada Inc. A subsidiary is an entity which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. A subsidiary is fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

The legal subsidiary of the Company is as follows:

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Name of Subsidiary	Place of Incorporation	Functional Currency	Ownership Interest	
			July 31, 2022	January 31, 2022
Belmont Nevada Inc.	USA	US dollar	100%	100%

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All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

***Functional and presentation currency***

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. The functional currency of the Company's subsidiary is noted above and the financial statement balances and transactions of the subsidiary are measured using that functional currency.

***Significant estimates and assumptions***

The preparation of these consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, the recoverability of amounts due from related party, the recoverability and measurement of deferred tax assets, and the provisions for restoration and environmental obligations.



**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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**2. Significant accounting policies and basis of preparation (continued)*****Significant judgments***

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification and allocation of exploration and evaluation expenditures; and
- the determination of functional currency of the Company and its subsidiary.

***Exploration and evaluation assets***

Exploration and evaluation assets are composed of exploration and evaluation expenditures which include the costs of acquiring rights or licenses for exploration, costs associated with exploration and evaluation activities, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore a mineral property are expensed as incurred.

Government tax credits received are recorded as a reduction to the cumulative costs incurred on the related property.

Amounts received from other parties to earn an interest in the Company's exploration and evaluation assets are applied as a reduction of the mineral property and deferred exploration and development costs until all capitalized costs are recovered at which time additional reimbursements are recorded in the consolidated statement of loss and comprehensive loss, except for administrative reimbursements which are credited to operations.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

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

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain mineral claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral claims. The Company has investigated title to all of its mineral claims and, to the best of its knowledge, title to all of its claims are in good standing.

**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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**2. Significant accounting policies and basis of preparation (continued)*****Stock based payments***

The Company grants stock options to purchase common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. When the stock options are forfeited or expire, the amount previously recognized in the reserve is transferred to deficit.

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

***Financial instruments***

The Company's financial instruments are classified as follows:

Financial asset/liability	Classification per IFRS 9
Cash	Fair value through profit and loss
Marketable securities	Fair value through other comprehensive income
Due from related party	Amortized cost
Reclamation bond	Amortized cost
Trade payables	Amortized cost
Due to related parties	Amortized cost

***Financial assets***

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

***Impairment of financial assets***

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

## **BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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### **2. Significant accounting policies and basis of preparation (continued)**

#### ***Financial instruments (continued)***

##### *Impairment of financial assets (continued)*

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the year.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

##### *Financial liabilities*

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

##### *Fair value*

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks. The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### ***Income taxes***

##### *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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**2. Significant accounting policies and basis of preparation (continued)*****Income taxes (continued)*****Deferred tax**

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

***Flow-through shares***

The Company has adopted a policy whereby proceeds from issuance of flow-through shares are allocated between the offering of shares and the sale of tax benefits based on the premium that the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting other income when the Company has made the required expenditures and there is a reasonable expectation of the renunciation of these expenditures to the tax authorities

***Equipment***

Equipment is stated at historical cost less accumulated depreciation and impairment charges.

Amortization is calculated at the following annual rates, on the declining balance basis unless otherwise stated:

Computer equipment	30%
Office equipment	20%
Exploration equipment	30%
Building	10 year straight-line

One-half the normal rate is recorded in the year of acquisition.

The Company's equipment is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the asset's recoverable amount is estimated. Impairment losses are recognized in profit or loss. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

The cost of replacing part of a piece of equipment is recognized in the carrying amount of the equipment if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of the equipment are recognized in profit or loss as incurred.

**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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**2. Significant accounting policies and basis of preparation (continued)*****Foreign currency translation***

The consolidated financial statements of the Company are prepared in the currency of the primary economic environment in which the Company operates (its functional currency). The functional and presentation currency of the Company is the Canadian dollar.

In preparing the financial statements, transaction in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, necessary items denominated in foreign currencies are retranslated at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise.

**Share capital**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share purchase warrants are classified as equity instruments. The proceeds from the issue of units are allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market trading price on the date the units are issued and the balance, if any, is allocated to the attached warrants. Share issue costs are recorded against share proceeds, net of any tax impact. Transaction costs directly attributable to derivative instruments are charged to operations as a finance cost.

**Reserves**

Equity reserves record items recognized as share-based compensation until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

***Loss per share***

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods presented.

**Government grant**

A government grant is recognized when there is reasonable assurance it will be received, and all related conditions will be complied with. The Company recognizes government grants in profit or loss on a systematic basis and in line with its recognition of the expenses that the grants are intended to compensate. The Company carefully determines whether the grant compensates expenses already incurred or future costs.

**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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**2. Significant accounting policies and basis of preparation (continued)****Leases**

At inception of a contract, management assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee, the Company recognizes a right-of-use asset, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

During the year ended January 31, 2022, the Company has applied the exemption and did not recognize right-of-use assets and lease liabilities for its short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

**Accounting standards issued but not yet effective**

The accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

**3. Marketable securities**

	July 31, 2022	January 31, 2022
Balance, beginning	\$ 239,560	\$ 3,985
Addition (Note 5)	73,000	260,000
Disposal	-	(117)
Change in fair value	(69,584)	(24,248)
Balance, ending	\$ 242,976	\$ 239,560

**4. Property and equipment**

	Computer Equipment	Office Equipment	Exploration Equipment	Building	Total
<b>Cost:</b>					
At January 31, 2021	\$ 4,054	\$ 17,316	\$ 27,309	\$ 27,507	\$ 76,186
Additions	1,426	-	-	-	1,426
Disposals	(4,054)	(15,412)	-	-	(19,466)
At January 31, 2022	1,426	1,904	27,309	27,507	58,146
At July 31, 2022	\$ 1,426	\$ 1,904	\$ 27,309	\$ 27,507	\$ 58,146
<b>Depreciation:</b>					
At January 31, 2021	\$ 3,883	\$ 17,154	\$ 27,036	\$ 11,006	\$ 59,079
Charge for the period	213	7	83	2,752	3,055
Eliminated on disposal	(3,883)	(15,298)	-	-	(19,181)
At January 31, 2022	213	1,863	27,119	13,758	42,953
Charge for the period	181	4	28	1,376	1,589
At July 31, 2022	\$ 394	\$ 1,867	\$ 27,147	\$ 15,134	\$ 44,542
<b>Net book value:</b>					
At January 31, 2022	\$ 1,213	\$ 41	\$ 190	\$ 13,749	\$ 15,193
At July 31, 2022	\$ 1,032	\$ 37	\$ 162	\$ 12,373	\$ 13,604

**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

**5. Exploration and evaluation assets**

	USA		Canada				Total
	Kibby Basin Nevada	Lone Star Washington	Pathfinder BC	Athelstan Group BC	Come by Chance BC	Pride of the West/ Black Bear BC	
<b>Property acquisition costs</b>							
Balance, January 31, 2021	\$ 440,581	\$ -	\$ 103,893	\$ 133,211	\$ 25,500	\$ 71,500	\$ 774,685
Additions							
Cash payments	-	97,500	-	-	-	-	97,500
Claim fees and staking costs	10,965	-	-	-	-	-	10,965
Payments with common shares	-	30,000	-	-	21,500	-	51,500
Balance, July 31, 2022	451,546	127,500	103,893	133,211	47,000	71,500	934,650
<b>Exploration and evaluation costs</b>							
Balance, January 31, 2022	506,821	-	7,321	512,679	113,701	2,025	1,142,547
Costs incurred during year:							
Assays and testing	-	-	-	-	53,908	-	53,908
Drilling	-	-	-	-	356,429	-	356,429
Geological consulting	653	-	-	255	52,864	-	53,772
Camp office & accommodation	-	-	-	-	24,564	-	24,564
Licenses, fees, and taxes	-	-	-	305	-	51	356
Reports and administration	-	-	-	-	5,056	-	5,056
	653	-	-	560	492,821	51	488,673
Other:							
Option payment received in cash	-	(100,000)	-	-	-	-	(100,000)
Option payments received in marketable securities	-	(73,000)	-	-	-	-	(73,000)
Excess recovery reclassified to other income	-	100,000	-	-	-	-	100,000
Balance, July 31, 2022	507,474	(73,000)	7,321	513,239	606,522	2,076	1,563,632
Total	\$ 959,020	\$ 54,500	\$ 111,214	\$ 646,450	\$ 653,522	\$ 73,576	\$ 2,498,282



**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

	USA		Canada					Total
	Kibby Basin Nevada	Lone Star Washington	Pathfinder BC	Athelstan Group BC	Come by Chance BC	Pride of the West/ Black Bear BC	Crackingstone River Saskatchewan	
<b>Property acquisition costs</b>								
Balance, January 31, 2021	\$ 362,129	\$ -	\$ 103,893	\$ 57,064	\$ 12,500	\$ 71,500	\$ -	\$ 607,086
Additions:								
Cash payments	-	31,750	-	31,710	-	-	-	63,460
Claim fees and staking costs	78,452	-	-	-	-	-	-	78,452
Payments with common shares	-	30,000	-	44,437	13,000	-	-	87,437
Balance, January 31, 2022	440,581	61,750	103,893	133,211	25,500	71,500	-	836,435
<b>Exploration and evaluation costs</b>								
Balance, January 31, 2021	718,261	-	12,321	140,786	34,132	25	-	905,525
Costs incurred during year:								
Assays and testing	-	-	-	43,624	2,801	-	-	46,425
Drilling	-	-	-	297,758	-	-	-	297,758
Geological consulting	3,049	-	-	22,335	7,528	-	-	32,912
Magnetic survey	-	-	-	-	64,010	-	-	64,010
Camp office and accommodation	511	-	-	7,879	2,230	-	-	10,620
Licenses, fees, and taxes	-	-	-	297	-	2,000	-	2,297
Reports and administration	-	-	-	-	3,000	-	-	3,000
	3,560	-	-	371,893	79,569	2,000	-	457,022
<b>Other items</b>								
Option payments received in cash	(100,000)	(100,000)	(5,000)	-	-	-	(10,000)	(215,000)
Option payments received in marketable securities (Note 3)	(130,000)	(130,000)	-	-	-	-	-	(260,000)
Finder's fee paid in common shares	15,000	15,000	-	-	-	-	-	30,000
Excess recovery reclassified to other income	-	153,250	-	-	-	-	10,000	163,250
	(215,000)	(61,750)	(5,000)	-	-	-	-	(281,750)
Balance, January 31, 2022	506,821	(61,750)	7,321	512,679	113,701	2,025	-	1,080,797
<b>Total</b>	\$ 947,402	\$ -	\$ 111,214	\$ 645,890	\$ 139,201	\$ 73,525	\$ -	\$ 1,917,232

## **BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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### **5. Exploration and evaluation assets (continued)**

#### a) Kibby Basin Property

On March 29, 2016, the Company entered into a property purchase agreement with Zimtu Capital Corp. ("Zimtu") to acquire 100% interest of the Kibby Basin Property, comprised of 16 mineral claims located in the north of Clayton Valley, Nevada, USA. Pursuant to the agreement, the Company paid a sum of \$25,000 and issued 1,000,000 common shares to Zimtu for the acquisition.

The property is subject to a 1.5% net smelter returns ("NSR") of which the Company has the right to purchase half of the NSR from Zimtu at any time for \$1,000,000. As at January 31, 2022, a reclamation bond of \$65,454 (January 31, 2021 - \$65,454) was held in trust for the Company at the Bureau of Land Management.

On November 1, 2021, the Company entered into an Earn-In Agreement with Marquee Resources Limited ("Marquee"), whereby Marquee would earn up to an 80% interest in the property. Pursuant to the agreement, Marquee can earn the following interest in Kibby Basin Property by:

- a) paying \$100,000 in cash to the Company (received) and issuing 1,000,000 shares of Marquee to the Company (received) to earn a 10% interest in the property;
- b) issuing 1,000,000 shares of Marquee to the Company and expending \$1,000,000 on the property within 6 months from the date of the agreement to earn an additional 41% interest in the property; and
- c) issuing 1,000,000 shares of Marquee to the Company and expending \$1,500,000 on the property within 15 months from the date of the agreement to earn a further 29% interest in the property.

A finder's fee of 250,000 common shares valued at \$15,000 was paid to a consultant in connection with the agreement.

#### b) Lone Star Property

On July 26, 2021, the Company entered into a Share Purchase Agreement with Advanced Mineral Technology Inc. ("Advanced"), whose wholly-owned subsidiary BGP Resources Inc. ("BGP") holds 100% interest in the mineral right associated with the Lone Star properties (the "Lone Star Property"). Pursuant to the agreement, the Company has the right to purchase 100% of the issued and common shares of BGP by:

- a) paying USD\$25,000 in cash (*paid*, equivalent to \$31,750) and issuing 500,000 common shares of the Company to Advanced (*issued*) upon the acceptance of the agreement by the Exchange;
- b) paying USD\$75,000 in cash (*paid*, equivalent to \$97,500) and issuing another 500,000 common shares of the Company to Advanced upon the first anniversary from the agreement date (*issued*).

The Lone Star Property is subject to an underlying 2.5% NSR owned by a third party.

On November 1, 2021 the Company entered into an Earn-In Agreement with Marquee whereby Marquee would earn up to an 80% interest in the Lone Star Property. Pursuant to the agreement, Marquee can earn the following interest in the property by:

- a) completing the following payments to earn a 10% interest in the property:

## BELMONT RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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### 5. Exploration and evaluation assets (continued)

- b) Lone Star Property (cont'd)
  - (i) paying \$100,000 in cash to the Company (*received*);
  - (ii) issuing 1,000,000 shares of Marquee to the Company (*received*);
  - (iii) transferring USD\$75,000 in cash to the Company to be applied solely towards the cash payment to Advanced to complete the acquisition of BGP (*received and recorded as other payable (Note 6)*);
  - (iv) transferring USD\$130,000 in cash to the Company to be applied solely towards payments to the original land owners of the Lone Star Property to complete the transfer of ownership of land title (*received and recorded as other payable (Note 6)*);
- c) transferring \$50,000 in cash (*received*) to the Company and expending \$550,000 on the property within 6 months from the date of the agreement to earn an additional 20% interest in the property;
- d) transferring \$50,000 in cash (*received*) to the Company, issuing additional 1,000,000 shares of Marquee to the Company (*received*) and expending further \$1,000,000 on the property within 15 months from the date of the agreement to earn an additional 20% interest in the property; and
- e) transferring \$50,000 in cash to the Company, issuing additional 1,000,000 shares of Marquee to the Company and expending further \$1,000,000 on the property within two years from the date of the agreement to earn a further 30% interest in the property.

A finder's fee of 250,000 common shares valued at \$15,000 was paid to a consultant in connection with the agreement.

#### c) Pathfinder Property

On March 27, 2019 the Company entered into an acquisition agreement with David Heyman and Clive Brookes (the "Vendors") to acquire 253.34 hectares of mineral claims which is part of the former Pathfinder Property located in southern British Columbia, approximately 18 km north of Grand Forks in the Greenwood Mining Division.

Pursuant to the acquisition agreement, the Company has made the following payments to the Vendors:

- (a) \$25,000 in cash (\$12,500 to each vendor) (*paid*) on the date of the agreement;
- (b) total 187,500 common shares and 187,500 warrants of the Company (93,750 common shares and 93,750 transferable warrants to each vendor) exercisable at a price of \$0.80 per share for a period of two years from the approval date as follows:
  - (i) issuing 156,250 common shares and 156,250 warrants (78,125 shares and 78,125 warrants to each vendor) on the approval date (*issued*); and
  - (ii) 31,250 common shares and 31,250 warrants (15,625 shares and 15,625 warrants to each vendor) on the one year anniversary of the date of the agreement (*issued*).

In addition, the property is subject to a 1.5% NSR is payable to the Vendor, at 0.75% to each Vendor. The Company may acquire one-half of the NSR for \$1,000,000 upon commencement of commercial production on the property.

On August 26, 2021 the Company entered into an option agreement with Highrock Resources Ltd. ("Highrock"), a related mineral exploration company with common directors and a common senior officer, to earn up to a 75% interest in the Pathfinder property. Pursuant to the agreement, Highrock had the right and option to acquire a 51% interest in the property by completing:

## BELMONT RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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### 5. Exploration and evaluation assets (continued)

#### c) Pathfinder Property (continued)

- (a) the payment of \$5,000 in cash upon the execution of the agreement (*received*); and
- (b) the issuance of 100,000 shares of Highrock to the Company upon the execution of the agreement (*received*).

Further, Highrock has the right and option to acquire a further 24% in the property by:

- (a) paying \$10,000 in cash to the Company on the first anniversary from the date of the agreement (*received subsequent to July 31, 2022*);
- (b) issuing 100,000 shares of Highrock to the Company on or before six months from the date of the initial listing of the Highrock shares on the Canadian Securities Exchange;
- (c) expend \$75,000 (*completed*) on the property on or before the first anniversary from the date of the agreement; and
- (d) expend \$125,000 on the property on or before first anniversary from the initial listing of the Highrock shares.

#### d) Athelstan Group Property

On October 29, 2019 the Company entered into an acquisition agreement with David Heyman, Clive Brookes and Zimtu Capital Corp. (the "Vendors") to acquire two mineral claims containing 127 hectares of mineral claims known as the Glenora and Bay Horse claims located in southern British Columbia in the Greenwood Mining Division.

Pursuant to the agreement, the Company agree to acquire the 100% interest in the property by:

- (a) issuing 420,000 units of the Company to the Vendors (*issued*). Each unit is composed of one common share and one transferable warrant exercisable at a price of \$0.08 per share until May 14, 2021, subject to an accelerated exercise clause; and
- (b) issuing 420,000 common shares of the Company to the Vendors on the one-year anniversary of the date of the agreement (*issued*).

In addition, the property is subject to a 1.5% NSR is payable to the Vendors. The Company may acquire one-half of the NSR for \$500,000 within five years from the commencement of commercial production on the property.

On May 7, 2020 the Company entered into a property acquisition agreement to acquire a 100% interest in the Crown mineral grant claims known as the Athelstan-Jackpot located in the Greenwood Mining Division in southern British Columbia. Pursuant to the agreement, the Company agreed to pay the following considerations:

- (a) 200,000 common shares of the Company upon Exchange approval (*issued*);
- (b) 200,000 additional common shares on the one year anniversary of the agreement date (*issued*);
- (c) USD\$50,000 cash payment on the one year anniversary of the agreement date. The Company had the option to issue common shares for half of the cash payment (USD\$25,000) (*paid and issued*);

In addition, the property is subject to a 2% NSR is payable to the vendor. The Company may acquire one-half of the NSR for USD\$500,000 within five years from the commencement of commercial production on the property.

In November 2020, the Company remitted a \$14,000 bond to the Government of British Columbia to acquire a Mines Act Permit which is valid until November 26, 2025.

## **BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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### **5. Exploration and evaluation assets (continued)**

#### **e) Come by Chance Property**

On May 27, 2020, the Company entered into a property acquisition agreement to acquire 21 mineral claims and 15 reverted claims containing 527 hectares known as the Come by Chance located in the Greenwood Mining Division in southern British Columbia. Pursuant to the agreement, the Company agreed to make the following payments:

- (a) \$7,500 in cash (*paid*);
- (b) issuing 100,000 common shares of the Company upon the Exchange approval (*issued*);
- (c) 200,000 additional common shares of the Company on the one-year anniversary of the date of the agreement (*issued*); and
- (d) 200,000 additional common shares of the Company on the two-year anniversary of the date of the agreement (*issued*).

On June 22, 2022 the agreement was amended to include acquisition of all historical records from the vendor by the Company in consideration of 100,000 common shares (*issued*).

The Company remitted a \$18,500 bond to the Government of British Columbia to acquire a Mines Act Permit which was issued in February 2022.

#### **f) Pride of the West and Black Bear Claims**

On November 21, 2019, the Company entered into a property acquisition agreement with a director of the Company to acquire a Crown mineral grant claim containing 20 hectares known as the Pride of the West Fraction located in the Greenwood Mining Division in southern British Columbia. Pursuant to the agreement, the Company agreed to make the following payments:

- (a) issuing a total of 100,000 common shares upon the Exchange approval (*issued*); and
- (b) paying \$25,000 in cash, which was amended to issuance of 500,000 common shares of the Company to the vendor (*issued*).

On November 30, 2019, the Company entered into a property acquisition agreement to acquire a reverted Crown mineral grant claim containing 250 hectares known as the Black Bear located in the Greenwood Mining Division in southern British Columbia. Pursuant to the agreement, the Company agreed to make the following payments:

- (a) issuing 100,000 common shares of the Company to the vendor upon the Exchange approval (*issued*); and
- (b) paying \$25,000 in cash, which was amended to issuance of 500,000 common shares of the Company to the vendor (*issued*).

#### **g) Crackingstone River Property**

Pursuant to an agreement in April 2006, the Company acquired 50% interest in one mineral claim in the Northern Mining District, Crackingstone River Area, Saskatchewan. The other 50% interest was held by Marvel Discovery Corp. ("Marvel"), a company with common directors and officers.

On June 3, 2021, the Company entered into a debt settlement agreement with Marvel to settle the outstanding amount of \$131,733 that Marvel owed to the Company. Pursuant to the agreement, Marvel paid \$30,000 in cash and transferred its 50% interest in the Crackingstone River Property to the Company, subject to Marvel retaining its 1% NSR.

In December 2021, the Company received \$10,000 option payment in cash from XS Minerals Limited ("XS") in connection with the binding term sheet for XS to earn an interest in the property. The binding term sheet was terminated in April 2022. The option payment received was recognized in other income for the year ended January 31, 2022.

**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

**6. Trade payables and accrued liabilities**

	<b>July 31, 2022</b>	<b>January 31, 2022</b>
Trade payables	\$ 50,041	\$ 33,272
Other payable (Note 5)	256,250	256,250
Accrued liabilities	-	20,000
	<b>\$ 306,291</b>	<b>\$ 309,522</b>

**7. Flow-through share premium liability**

	<b>July 31, 2022</b>	<b>January 31, 2022</b>
Balance, beginning	\$ 26,605	\$ 91,013
Liability recognized on flow-through shares issued	-	40,822
Settlement of flow-through share liability	(26,605)	(105,230)
Balance, ending	\$ -	\$ 26,605

In December 2020, the Company issued 5,050,000 flow-through units for gross proceeds of \$404,000. The units were issued at a premium to the market price in recognition of the tax benefits accruing to subscriber. The Company recognized a flow-through premium liability of \$101,000 in relation to this issuance.

The premium liability is derecognized through income as the qualifying expenditures are incurred. During the year ended January 31, 2022, the Company fulfilled the remaining commitment of \$91,013 by incurring qualifying expenditures of \$364,050.

In July 2021, the Company issued 2,721,450 flow-through units for gross proceeds of \$190,502. The units were issued at a premium to the market price in recognition of the tax benefits accruing to subscriber. The Company recognized a flow-through premium liability of \$40,822 in relation to this issuance.

During the year ended January 31, 2022, the Company fulfilled \$14,217 of the commitment by incurring qualifying expenditures of \$78,976. As at April 30, 2022 the Company fulfilled the balance of the commitment by incurring qualifying expenditures of \$111,526.

**8. Share capital*****Authorized***

Unlimited number of common shares without par value are authorized for issue.

***Share issuances***

*During the period ended July 31, 2022*

During the period ended July 31, 2022, the Company issued a total of 2,943,500 common shares pursuant to the exercise of warrants at \$0.05 per share for proceeds of \$147,175.

On July 26, 2022 the Company issued 500,000 common shares with a fair value of \$30,000 in connection with a property acquisition agreement (Note 5).

On June 22, 2022 the Company issued 100,000 common shares with a fair value of \$15,000 in connection with a property acquisition agreement (Note 5).

## **BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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### **8. Share capital (cont'd)**

#### ***Share issuances (cont'd)***

*During the period ended July 31, 2022 (cont'd)*

On June 6, 2022 the Company issued 200,000 common shares with a fair value of \$6,500 in connection with a property acquisition agreement (Note 5).

On March 18, 2022 the Company issued 7,470,000 units at \$0.07 per unit for proceeds of \$522,900. Each unit comprises one common share and one share purchase warrant expiring March 18, 2024. Each warrant entitles the holder to acquire one additional common share at a price of \$0.10 per share in the first year and \$0.15 in the second year. The Company paid a finder's fee of \$3,360 in cash and 48,000 brokers' warrants. Each brokers' warrant entitles the holder to acquire one common share at a price of \$0.10 per share in the first year and \$0.15 in the second year. The brokers' warrants were valued at \$2,029 using the Black-Scholes Option Pricing Model with a volatility of 110.94%, expected life of 2 years, risk-free interest rate of 2.31%, and a dividend rate of nil.

*During the year ended January 31, 2022*

During the year ended January 31, 2022, the Company issued a total of 1,275,000 common shares pursuant to the exercise of stock options at prices between \$0.06 and \$0.07 per share for proceeds of \$80,750. The value of the stock options \$81,205 was transferred from stock-based reserve to share capital. The weighted average trading price on the dates of exercise was \$0.07.

During the year ended January 31, 2022, the Company issued a total of 3,125,000 common shares pursuant to the exercise of warrants at prices between \$0.05 to \$0.08 per share for proceeds of \$166,750.

On January 17, 2022 the Company issued 500,000 common shares with a fair value of \$30,000 for finder's fee incurred in connection with the earn-in agreements (Note 5).

On September 6, 2021, the Company issued 500,000 common shares with a fair value of \$30,000 in connection with a property acquisition agreement (Note 5).

On July 23, 2021, the Company issued 2,721,450 flow-through units at \$0.07 per unit for gross proceeds of \$190,502. Each unit comprises one flow-through common share and one share purchase warrant expiring July 23, 2023. Each warrant entitles the holder to acquire one non-flow-through common share at a price of \$0.12 per share. The Company paid a finder's fee of \$11,200 in cash and 160,002 brokers' warrants. Each brokers' warrant entitles the holder to acquire one common share at a price of \$0.12 per share until July 23, 2023. The brokers' warrants were valued at \$4,528 using the Black-Scholes Option Pricing Model with a volatility of 133.76%, expected life of 2 years, risk-free interest rate of 0.45%, and a dividend rate of nil.

The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$40,822 (Note 7).

On May 27, 2021 the Company issued 200,000 common shares with a fair value of \$13,000 in connection with a property acquisition agreement (Note 5).

On May 7, 2021 the Company issued 200,000 common shares with a fair value of \$13,000 in connection with a property acquisition agreement (Note 5).

**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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**8. Share capital (continued)**

On April 27, 2021 the Company issued 419,167 common shares with a fair value of \$31,437 in connection with a property acquisition agreement (Note 5).

On February 10, 2021 the Company issued 1,672,000 units at \$0.07 per unit for proceeds of \$117,040. Each unit comprises one common share and one share purchase warrant expiring February 10, 2023. Each warrant entitles the holder to acquire one additional common share at a price of \$0.10 per share. The warrant term may be accelerated in the event that the issuer's shares trade at or above a price of \$0.15 per share for a period of 10 consecutive days.

**Stock options**

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. The options vest at the discretion of the Board of Directors.

The changes in stock options during the period are as follows:

	<b>Number of options</b>	<b>Weighted average exercise price</b>
Balance, January 31, 2021	3,898,125	\$ 0.12
Granted	2,000,000	0.10
Expired	(378,125)	0.48
Exercised	(1,275,000)	0.06
Balance, January 31, 2022	4,245,000	\$ 0.10
Granted	1,325,000	0.10
Expired	(250,000)	0.48
Exercised	-	-
Balance, July 31, 2022	5,320,000	\$ 0.09
Exercisable, July 31, 2022	5,320,000	\$ 0.09



**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

**8. Share capital (continued)*****Stock options (continued)***

As at July 31, 2022, stock options were outstanding as follows:

Number of Options	Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)
450,000	\$0.06	August 22, 2022	0.06
200,000	\$0.05	February 24, 2023	0.57
300,000	\$0.10	June 7, 2025	2.85
895,000	\$0.06	August 28, 2025	3.08
450,000	\$0.07	January 29, 2026	3.50
1,400,000	\$0.10	October 21, 2026	4.23
600,000	\$0.10	November 9, 2026	4.59
1,025,000	\$0.10	March 4, 2027	4.59
5,320,000			

During the period ended July 31, 2022, there were \$68,933 (January 31, 2022 - \$98,250) stock-based payments recognized on stock options vested. The fair value of the stock options granted was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	July 31, 2022	January 31, 2022
Expected life	4.55 years	5.00 years
Annualized volatility	117.44%	117.91%
Risk-free interest rate	2.58%	1.48%
Dividend rate	0%	0%

***Warrants***

In September 2021, the Company offered a warrant exercise incentive program in which the holders of a total of 5,780,500 outstanding warrants would receive one additional incentive warrant in consideration of the early exercise. The incentive warrant would be one warrant exercisable at a price of \$0.10 until November 4, 2022. A total of 2,600,000 incentive warrants were issued.

**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

**8. Share capital (continued)*****Warrants (continued)***

Changes in warrants during the period are as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
Balance, January 31, 2021	27,725,800	\$ 0.09
Issued	7,153,452	0.11
Exercised	(3,125,000)	0.05
Expired	(5,137,500)	0.11
Balance, January 31, 2022	26,616,752	\$ 0.10
Issued	7,518,000	0.10
Exercised	(2,563,500)	0.05
Expired	(682,000)	0.05
Balance, July 31, 2022	30,889,252	\$ 0.10

The warrants outstanding at July 31, 2022 are as follows:

<b>Number outstanding</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining life (years)</b>	<b>Expiry date</b>
2,600,000	\$ 0.10	0.26	November 4, 2022
5,434,800	\$ 0.10	0.40	December 23, 2022
1,250,000	\$ 0.10	0.44	January 6, 2023
1,672,000	\$ 0.10	0.53	February 10, 2023
2,881,452	\$ 0.12	0.98	July 23, 2023
9,533,000	\$ 0.10	1.08	August 27, 2023
7,518,000	\$0.125	1.63	March 18, 2024
31,889,252	\$ 0.10	0.96	

**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

**9. Related party balances and transactions*****Related party balances***

The following amounts are due to related parties:

	<b>July 31, 2022</b>	<b>January 31, 2022</b>
Companies with directors and officers in common	\$ 17,500	\$ 51,500
Directors	15,000	60,000
	<b>\$ 32,500</b>	<b>\$ 111,500</b>

Amounts due to and from related parties are unsecured, non-interest bearing and with no specific terms of repayment.

***Related party transactions******Key management personnel compensation***

	<b>Periods ended July 31,</b>	
	<b>2022</b>	<b>2021</b>
Management fees	\$ 60,000	\$ 60,000
Salaries and benefits	30,000	30,000
Consulting fees	3,500	-
Stock-based payments	56,395	-
	<b>\$ 149,895</b>	<b>\$ 45,000</b>

On November 15, 2019, the Company entered into a Management Services Agreement with Cankor Capital Inc, ("Canfor") a company owned by the Company's new Chief Executive Officer for a term of six months. The monthly fee was \$5,000 for the first three months and \$7,500 thereafter. On June 15, 2020, the Company entered into a Management Consulting Agreement with Cankor for an indefinite period with compensation of \$10,000 monthly.

During the period ended July 31, 2022, the Company has paid \$3,500 (2021 - \$nil) to a director of the Company for geological consulting services.

During the year ended January 31, 2022, the Company entered into a property option agreement with Highrock Resources Ltd. (Note 5). The Company and Highrock share common directors and a senior officer.

**10. Financial instruments, risk and capital management**

The Company is exposed in varying degrees to a variety of financial instrument related risks.

***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. The Company's primary exposure to credit risk is on its cash held in bank accounts and related party receivable. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is high credit quality financial institutions as determined by rating agencies.

**BELMONT RESOURCES INC.**

Notes to the Condensed Interim Consolidated Financial Statements  
(Unaudited - Expressed in Canadian dollars, unless otherwise stated)  
For the period ended July 31, 2022

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**10. Financial instruments, risk and capital management (continued)*****Capital Management***

The Company includes cash and equity in the definition of capital. Equity is comprised of issued common shares, reserves, and deficit.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There were no changes in the Company's approach to capital management during the year.

***Fair value***

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 Company's cash and marketable securities are measured at level 1 fair value. The carrying value of the Company's receivables, trade payables and amounts due to and due from related parties approximate their corresponding fair values because of the relatively short periods to maturity of these instruments and the low credit risk.

**11. Non-cash transactions**

The Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Periods ended July 31,	
	2022	2021
Exploration and evaluation expenditures recognized in trade payables and accrued liabilities	\$ 7	\$ 31,438
Fair value of shares issued on acquisition of exploration and evaluation assets	51,500	57,438
Fair value of brokers' warrants issued	\$ 2,029	\$ 4,528

**12. Subsequent events**

Subsequent to the period end a total of 450,000 stock options exercisable at \$0.06 expired unexercised.

Subsequent to the period end, a total of 125,000 options were exercised at \$0.05 per share for gross proceeds of \$7,500.

Subsequent to the period end, the Company granted 500,000 options exercisable at \$0.10 per share until September 2, 2025.