
GOLIATH RESOURCES LIMITED

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

(EXPRESSED IN CANADIAN DOLLARS)

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Goliath Resources Limited

Opinion

We have audited the financial statements of Goliath Resources Limited (the "Company"), which comprise the statements of financial position as at June 30, 2022 and 2021, and the statements of loss and comprehensive loss, statements of cash flows, and statements of changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and 2021 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner of the audit resulting in this independent auditor's report is Koko Yamamoto.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
October 27, 2022

Goliath Resources Limited
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at June 30, 2022	As at June 30, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 13,425,026	\$ 5,025,438
Amounts receivable and deposits (notes 7 and 17)	1,316,701	690,441
Investments (note 8)	121,812	211,312
Total assets	\$ 14,863,539	\$ 5,927,191
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 17)	\$ 642,571	\$ 270,577
Flow-through share liability (note 9)	-	189,197
Total liabilities	642,571	459,774
Equity		
Share capital (note 10)	26,864,153	13,412,316
Contributed surplus (notes 11 and 12)	14,921,842	6,789,861
Deficit	(27,565,027)	(14,734,760)
Total equity	14,220,968	5,467,417
Total liabilities and equity	\$ 14,863,539	\$ 5,927,191

Nature of operations and going concern (note 1)
 Commitments and contingencies (notes 6 and 19)
 Subsequent events (note 20)

Approved by:

(Signed) "Roger Rosmus", Director

(Signed) "Graham Warren", Director

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

Goliath Resources Limited
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Years Ended June 30,	
	2022	2021
Operating expenses		
Exploration and acquisition costs (note 15)	\$ 5,988,305	\$ 3,629,510
General and administrative (note 14)	8,015,752	2,479,324
Unrealized loss on investments (note 8)	138,250	34,063
Mining tax credit recovery (note 7)	(433,000)	-
Net loss before premium on flow-through shares	(13,709,307)	(6,142,897)
Premium on flow-through shares (note 9)	189,197	334,870
Net loss and comprehensive loss for the year	\$ (13,520,110)	\$ (5,808,027)
Basic and diluted loss per share (note 13)	\$ (0.23)	\$ (0.16)
Weighted average number of common shares outstanding - basic and diluted	59,521,747	35,547,906

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

Goliath Resources Limited
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Years Ended June 30,	
	2022	2021
Operating activities		
Net loss for the year	\$ (13,520,110)	\$ (5,808,027)
Adjustments for:		
Share-based payments (note 12)	5,893,767	1,656,017
Premium on flow-through shares (note 9)	(189,197)	(334,870)
Unrealized loss on investments (note 8)	138,250	34,063
Common shares and warrants issued for exploration and acquisition costs (note 6)	-	1,837,050
Investments received for property option proceeds (note 8)	(48,750)	(161,625)
Non-cash working capital items:		
Amounts receivable and deposits	(626,260)	(188,303)
Accounts payable and accrued liabilities	371,994	192,914
Net cash and cash equivalents used in operating activities	(7,980,306)	(2,772,781)
Financing activities		
Proceeds from private placements	14,609,749	6,706,165
Issuance costs	(479,254)	(161,349)
Proceeds from exercise of warrants	1,493,074	1,202,139
Proceeds from exercise of stock options	756,325	25,133
Net cash and cash equivalents provided by financing activities	16,379,894	7,772,088
Net change in cash and cash equivalents	8,399,588	4,999,307
Cash and cash equivalents, beginning of year	5,025,438	26,131
Cash and cash equivalents, end of year	\$ 13,425,026	\$ 5,025,438
Supplemental information		
Units issued in settlement of debt	\$ -	\$ 156,432
Accrued share issue costs	\$ (12,924)	\$ 12,924
Finders' warrants issued	\$ 259,860	\$ 86,511
Cash and cash equivalents		
Cash	\$ 3,397,473	\$ 5,025,438
Cash equivalents	10,027,553	-
	\$ 13,425,026	\$ 5,025,438

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

Goliath Resources Limited
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	<u>Share Capital</u>		<u>Contributed Surplus</u>	<u>Deficit</u>	<u>Total</u>
	<u>Number</u>	<u>Amount</u>			
Balance, June 30, 2020	16,803,518	\$ 6,941,895	\$ 2,856,472	\$ (9,487,264)	\$ 311,103
Issuance of common shares and warrants in private placement (note 10(b))	23,297,696	4,259,829	2,606,768	-	6,866,597
Flow-through share premium (note 9)	-	(444,322)	-	-	(444,322)
Share issue costs (note 10(b))	-	(260,784)	86,511	-	(174,273)
Common shares and warrants issued for mineral properties (note 6)	3,022,059	1,051,250	785,800	-	1,837,050
Common shares issued for the exercise of options	86,667	167,633	(142,500)	-	25,133
Common shares issued for the exercise of warrants	5,848,475	1,696,815	(494,676)	-	1,202,139
Warrants and options expired	-	-	(560,531)	560,531	-
Share-based payments (note 12)	-	-	1,656,017	-	1,656,017
Net loss for the year	-	-	-	(5,808,027)	(5,808,027)
Balance, June 30, 2021	49,058,415	13,412,316	6,789,861	(14,734,760)	5,467,417
Issuance of common shares and warrants in private placement (note 10(b))	12,277,100	9,662,175	4,947,574	-	14,609,749
Share issue costs (note 10(b))	-	(489,114)	9,860	-	(479,254)
Common shares issued for the exercise of options	2,749,000	2,211,893	(1,455,568)	-	756,325
Common shares issued for the exercise of warrants	6,097,707	2,066,883	(573,809)	-	1,493,074
Stock options and warrants expired	-	-	(689,843)	689,843	-
Share-based payments (note 12)	-	-	5,893,767	-	5,893,767
Net loss for the year	-	-	-	(13,520,110)	(13,520,110)
Balance, June 30, 2022	70,182,222	\$ 26,864,153	\$ 14,921,842	\$ (27,565,027)	\$ 14,220,968

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

Goliath Resources Limited
Notes to Financial Statements
Years Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Goliath Resources Limited (the "Company" or "Goliath") was incorporated by Articles of Incorporation dated February 16, 2017 under the Business Corporations Act (Ontario) as "Bantry Resources Inc.". On February 21, 2017, Goliath filed Articles of Amendment to change the name to "Goliath Resources Inc." and on April 21, 2017, Articles of Amendment were filed to change the name to "Goliath Resources Limited". The Company's principal business activity is mineral exploration (described in note 6) in British Columbia, Canada.

The Company is listed on the TSX Venture Exchange (the "TSXV") trading under the symbol GOT.V. The head office of the Company is located at 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

The financial statements of the Company for the year ended June 30, 2022 were reviewed, approved and authorized for issue by the Board of Directors on October 27, 2022.

These financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The Company is at an exploration stage and attempts to raise financing for its exploration and acquisition activities. The Company has incurred a current net loss of \$13,520,110 for the year ended June 30, 2022 and has an accumulated deficit of \$27,565,027 as at June 30, 2022. In addition, the Company had working capital of \$14,220,968 at June 30, 2022 and expenditure commitments as outlined in notes 6 and 19.

The Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop mineral projects, if they are proven successful, and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. Management believes that the Company's working capital is sufficient to support planned operations for the next twelve months.

2. Significant Accounting Policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies set out below have been applied consistently to the period presented in these financial statements unless otherwise noted below.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 2(q).

Goliath Resources Limited
Notes to Financial Statements
Years Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(c) Functional and presentation currency

The Company's presentation and functional currency is the Canadian dollar. The Company does not have any foreign operations. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at period end exchange rates are recognized in the statements of loss.

(d) Financial instruments

Under IFRS 9 Financial Instruments ("IFRS 9"), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Below is a summary showing the classification of the Company's financial instruments under IFRS 9:

Classification	IFRS 9
Cash and cash equivalents	Amortized cost
Amounts receivable and deposits	Amortized cost
Investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

- Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

- Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

Goliath Resources Limited
Notes to Financial Statements
Years Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(d) Financial instruments (continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

- Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Goliath Resources Limited
Notes to Financial Statements
Years Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(e) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long lived assets that are not amortized are subject to an annual impairment assessment.

(f) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position consist of cash balances with banks, including cash held in trust and money market securities that are readily convertible to cash with a remaining term at the date of acquisition of less than 90 days.

(g) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of exploration properties, property option payments and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

(h) Investments

The Company carries its investments at fair value as financial assets at FVTPL. When a financial instrument is initially recognized, its fair value is generally the value of consideration paid or received. Subsequent to initial recognition, for the fair value of an investment quoted on an active market, the fair value is generally the bid price on the principal exchange on which the investment is traded.

In the absence of an active market, the fair value is determined by management using the appropriate valuation methodologies after considering the history and nature of the business, operating results and financial conditions, the general economic, industry and market conditions, capital market and transaction market conditions, contractual rights relating to the investment, public market comparables, private company transactions multiples and, where applicable, other pertinent considerations. The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had an active market existed.

(i) Share capital

The Company records proceeds from share and warrant issuances net of issue costs and any tax effects, to equity.

Goliath Resources Limited
Notes to Financial Statements
Years Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(j) Flow-through shares

The Company has financed a portion of its exploration activities through the issue of flow-through shares, which offer a tax incentive to Canadian investors by transferring the tax deductibility of exploration expenditures from the Company to the investors.

The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors. Upon eligible expenditures being incurred, the Company derecognizes the liability and recognizes a premium on flow-through shares to the statement of loss and comprehensive loss.

Resource expenditure deductions for income tax purposes related to exploration and evaluation activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The Company has indemnified the subscribers of flow-through share offerings against tax related amounts that became payable by the shareholder as a result of the Company not meeting its commitments.

(k) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are set out in note 12.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of operations such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. Unexercised expired stock options and warrants are transferred to deficit.

(l) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Company had no material provisions at June 30, 2022 and 2021.

Goliath Resources Limited
Notes to Financial Statements
Years Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(m) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. For the period presented, the loss attributed to common shareholders equals the reported loss attributable to owners of the Company. The weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the net proceeds received on the exercise of dilutive warrants and stock options are used to repurchase common shares at the average market price during the period. The diluted loss per share calculation excludes any potential conversion of warrants and stock options that would decrease loss per share or increase earnings per share.

(n) Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(o) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of an exploration property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company had no material restoration, rehabilitation and environmental costs as at June 30, 2022 and 2021 as the disturbance to date is minimal.

Goliath Resources Limited
Notes to Financial Statements
Years Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(p) Government assistance

The Company recognizes government grants given on eligible expenditures when it is reasonably assured that they will be realized. We use the cost reduction method to account for government grants, under which the credits are applied against the expense or asset to which the government grant relates.

(q) Significant accounting judgments and estimates

The preparation of these financial statements in conformity with IFRS 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 financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. 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.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

(i) Income, value added, withholding and other taxes, and tax credits:

The Company is subject to income, value added, withholding and other taxes and is eligible for refundable tax credits on certain expenditures. Significant judgment is required in determining the Company's provisions for taxes and tax credits receivable. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities and mining tax credits receivable requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made. Amounts recorded for mining tax credits receivable represent best estimates of recoverable amounts after considering these uncertainties including assessing the Company's historical experience with recovering claimed amounts.

(ii) Share-based payments:

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. Refer to note 12.

Goliath Resources Limited
Notes to Financial Statements
Years Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(q) Significant accounting judgments and estimates (continued)

(iii) Decommissioning, restoration and similar liabilities:

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

(iv) Contingencies:

Refer to note 19.

(v) Valuation of investment in warrants

Management determines the fair value of investments in warrants using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. Refer to note 8.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after July 1, 2021 including amendments to IAS 1 - Presentation of Financial Statements, which are effective for annual periods beginning on or after January 1, 2023. They are not applicable or do not have a significant impact to the Company and have been excluded.

3. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholders' returns through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which comprises share capital, contributed surplus and deficit, which at June 30, 2022, totaled \$14,220,968. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to the Company's mineral properties. Selected information is provided to the Board of Directors of the Company.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended June 30, 2022 and 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of June 30, 2022, the Company believes that it is compliant with Policy 2.5.

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4. Financial risk management

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes to credit risk, liquidity risk or market risk for the year ended June 30, 2022.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal. Management believes that the credit risk with respect to financial instruments included in amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at June 30, 2022, the Company had cash and cash equivalents of \$13,425,026 to settle accounts payable and accrued liabilities of \$642,571 and flow-through commitment of approximately \$12,522,000. All of the Company's financial liabilities as at June 30, 2022 are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(a) Interest rate risk

The Company does not have cash balances which are subject to a fixed interest rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by a Canadian chartered bank with which it keeps its bank accounts.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Foreign currency risk is the risk that future cash flows of financial instruments will fluctuate as a result of changes in foreign exchange rates. The Company does not have transactions in foreign currencies.

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4. Financial risk management (continued)

(c) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company has \$121,812 in investments. These investments are classified as FVTPL and are subject to equity price risk. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. As at June 30, 2022 and 2021, the Company was not a precious minerals, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

The Company's investments are subject to fair value fluctuations. As at June 30, 2022, if the bid price of the common shares decreased/increased by 10% with all other variables held constant, net loss and comprehensive loss for the year ended June 30, 2022 would have been approximately \$12,000 higher/lower.

5. Categories of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Assets and liabilities measured at fair value on a recurring basis:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Aggregate fair value
As at June 30, 2022				
Investments	\$ 89,375	\$ 32,437	\$ -	\$ 121,812
As at June 30, 2021				
Investments	\$ 153,062	\$ 58,250	\$ -	\$ 211,312

There were no transfers in and out of Levels 1, 2 or 3 during the years ended June 30, 2022 and 2021.

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5. Categories of financial instruments (continued)

As at June 30,	2022	2021
Financial assets:		
<u>Loans and receivables</u>		
Cash	\$ 13,425,026	\$ 5,025,438
Amounts receivable and deposits	53,000	53,000
<u>FVTPL</u>		
Investments	121,812	211,312
Financial liabilities:		
<u>Other financial liabilities</u>		
Accounts payable and accrued liabilities	\$ 642,571	270,577

As of June 30, 2022 and 2021, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature.

6. Mineral properties

Golddigger and Luckystrike properties

On April 18, 2017, Goliath entered into four option agreements ("Options") with J2 Syndicate and J2 Syndicate Holdings (collectively the "Optionors") to acquire a 100% legal and beneficial interest in and to four separate blocks of mineral claims located in British Columbia and individually known as and described as the "Bingo", "Copperhead", "Golddigger" and "Luckystrike" properties subject to a 3% net smelter returns royalty ("NSR"). Goliath can reduce the NSR from 3% to 2% by paying US\$1,500,000 for each property, no later than December 31, 2027. The agreements were subsequently amended on April 19, May 6, June 8, June 26, September 10, September 22, September 27, 2017, October 30, 2018, April 14, 2020 and December 29, 2020.

The Options may be maintained and exercised by Goliath issuing the following securities, making the following cash payments and incurring the following exploration expenses.

	Common shares to purchase option (issued)		Warrants to purchase option (issued)		
Golddigger	200,000		200,000		
Luckystrike	200,000		200,000		
Total	400,000		400,000		

Cash payments	Effective date April 20, 2017 (paid)	March 30, 2020 (paid)	March 30, 2021 (paid)	March 30, 2022 (paid)	March 30, 2023	Total
Golddigger	\$ 75,000	\$ 112,500	\$ 168,750	\$ 253,125	\$ 379,688	\$ 989,063
Luckystrike	75,000	112,500	-	-	-	187,500
Total	\$ 150,000	\$ 225,000	\$ 168,750	\$ 253,125	\$ 379,688	\$ 1,176,563

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6. Mineral properties (continued)

Golddigger and Luckystrike properties (continued)

Exploration expenses	December 15, 2017 (met)	December 31, 2018 (met)	December 31, 2019 (met)	December 31, 2020 (met)	December 31, 2021 (met)	Total
Golddigger	\$ 311,881	\$ 545,972	\$ -	\$ 200,000	\$ 400,000	\$ 1,457,853
Luckystrike	311,881	545,972	-	-	400,000	1,257,853
Among Golddigger and Luckystrike properties	-	-	1,200,000	-	-	1,200,000
Total	\$ 623,762	\$ 1,091,944	\$ 1,200,000	\$ 200,000	\$ 800,000	\$ 3,915,706

(a) Conditions of the Options are as follows:

- Goliath must elect by April 1 of each subsequent year, to either carry out an exploration program which will result in it incurring the prescribed exploration expenses for that year by December 15 of that year or terminate the Options. If Goliath makes an election by April 1 and subsequently fails to raise the required funds by May 31 of that year, then the Option may be terminated by the Optionors, or an amount equal to the prescribed exploration budget will become a debt of Goliath, payable to the Optionors on March 31 of the following year.
- Each of the four option agreements require Goliath to pay “resource bonuses” to the Optionors in cash and shares as and when NI 43-101 mineral reserves (proven and probable) and mineral resources (measured and indicated) on the properties collectively meet the following equivalent of ounces of gold:
 - i) Cash payment of US\$1,000,000 for 2,000,000 gold equivalent ounces.
 - ii) An additional cash payment of US\$1.00 for every gold equivalent ounce over 2,000,000 gold equivalent ounces.
 - iii) Issuance of 10,000,000 common shares of Goliath for 2,000,000 gold equivalent ounces.
- In the event of termination of the Options, Goliath must perform and pay for all required reclamation work on the property within 24 months of termination and must maintain the property in good standing for a minimum of 12 months after termination. If Goliath fails to fulfill its obligations, it will be indebted to the Optionors for an amount equal to 150% of the costs which it would have incurred to fulfill its obligations.
- Any claims acquired by Goliath within a 20 kilometre area of interest or contiguous to those claims acquired, will become part of the property and subject to the NSR.
- Earning exclusive right of first refusals (ROFRs) on each of the DSM Syndicate’s Gold Star and Gold Crest properties which expired March 30, 2020.

(b) The amendment on October 30, 2018 was subject to the following conditions:

- Completing a financing of at least \$1,500,000 of net proceeds (the “Financing Proceeds”) prior to March 30, 2019 (completed);
- Providing \$300,000 from the Financing Proceeds for the exploration of the J2 Syndicate’s Bullion and/or Eldorado properties, and/or the DSM Syndicate’s Gold Crest, Gold Standard and/or Gold Star properties (Goliath already owns a 10% interest in the DSM Syndicate); and
- Executing an agreement with the J2 Syndicate and the DSM Syndicate with respect to the fulfillment of the \$300,000 funding obligation and the grant of the ROFR’s mentioned above prior to November 15, 2018 (executed on November 15, 2018).

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6. Mineral properties (continued)

Golddigger and Luckystrike properties (continued)

(c) On March 3, 2020, the Company terminated the property option agreements to acquire the Bingo and Copperhead properties.

(d) On April 14, 2020, the Company entered into two separate amendment agreements (the "Amendments") with the Optionors, whereby the parties have agreed to further amend the terms of Goliath's Options on the Golddigger property and Luckystrike property. The main terms of the Amendments are as follows:

- Goliath will deposit, on/or before April 29, 2020, \$200,000 with the J2 Syndicate from the sale and distribution of shares, warrants and/or other securities of the Goliath by way of a private placement (completed), to be spent on the Golddigger property.
- Goliath will commit to deposit a total of \$800,000 to be deposited on or before March 31, 2021 on the Luckystrike and/or Golddigger properties;
- If Goliath incurs aggregate exploration expenses between January 1, 2020 and December 31, 2023 of \$6,000,000 on each Property and delivers a NI 43-101 technical report which includes a resource calculation of gold equivalent mineral reserves (proven and probable) and gold equivalent mineral resources (measured, indicated and inferred categories) on the properties by December 31, 2024; then Goliath can earn an initial 49% interest in the Properties; and
- If Goliath incurs aggregate exploration expenses between January 1, 2024 and December 31, 2026 of at least \$8,000,000 on each property and delivers a NI 43-101 technical report which includes a resource calculation of gold equivalent mineral reserves (proven and probable) and gold equivalent mineral resources (measured, indicated and inferred categories) on the Property by December 31, 2027 Goliath will own the remaining 51% interest in the Property, representing a 100% ownership interest in the Property subject to the royalties reserved to the Optionors.

The Amendments are subject to:

- Goliath issuing to the Optionors a total of 3,900,000 units at a price of \$0.10 per unit (the "Consideration Units"). Each Consideration Unit will consist of one common share and one common share purchase warrant (a "Consideration Warrant") with each Consideration Warrant exercisable for a period of five years from the date of issuance at an exercise price of \$0.15 per share. On April 29, 2020, the Company issued the 3,900,000 Consideration Units to members of the J2 Syndicate. The fair value of the 3,900,000 Consideration Warrant was estimated as \$186,617 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.41%; expected volatility - 175% which is based on the historical volatility of the Company's shares; expected dividend yield - nil; share price of \$0.05 and expected life - 5 years.
- The value of the Consideration Units was applied against the March 31, 2020 cash property payments and partial payment against the March 31, 2021 cash payment under the Options.

(e) On December 29, 2020, the Company amended terms for its Luckystrike property. All future cash property payments totalling \$719,313, plus \$14,000,000 of minimum work commitments and a NI 43-101 technical report which would include any resources calculation of gold equivalent minerals delivered by December 31, 2027 to earn 100% of the property have been removed entirely. In its place, the Company has issued 1,300,000 shares (valued at \$559,000) and 1,300,000 warrants exercisable at a price of \$0.22 for a period of 60 months to immediately earn a 49% interest in the property. To earn 100%, Goliath will need to spend a minimum of \$5,000,000 in drilling on or before December 31, 2029 and deliver a NI 43-101 technical report which would include any resources calculation of gold equivalent minerals by December 31, 2030. In addition, the 1% NSR buy back provision date has been moved from December 31, 2027 to December 31, 2029.

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6. Mineral properties (continued)

Golddigger and Luckystrike properties (continued)

The grant date fair value of the 1,300,000 warrants was estimated as \$534,300 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.41%; expected volatility - 166% which is based on the historical volatility; expected dividend yield - nil; share price of \$0.43 and expected life - 5 years.

All excess exploration expenses incurred in the aggregate on the J2 Syndicate's optioned properties from any year, may be carried forward to fulfill Goliath's exploration expenditure commitments in future years. Goliath has currently exceeded its minimum exploration commitments for 2017, 2018, 2019, 2020 and 2021.

Golddigger Property

The Golddigger Property consists of contiguous mineral claims located approximately 30 kilometres southeast of Stewart with tidewater access on Hastings Arm in the Golden Triangle of Northern British Columbia.

Luckystrike Property

The Luckystrike Property is located 40 kilometres north of Terrace, British Columbia.

DSM Syndicate

On April 20, 2017, Goliath acquired a 10% interest in the DSM Syndicate at a cost of \$250,000. The DSM Syndicate was formed to pool geological and other knowledge and expertise relating to certain properties identified in an area in northwestern British Columbia, finance and carry out an acquisition and exploration program and market any resulting property interests with the intention to option or sell the property interests.

Nelligan Projects

On July 9, 2020, the Company entered into agreements to acquire 6 mineral claim blocks (the "Claims") now under Goliath's Nelligan East Project and Nelligan West Project (the "Projects"). The Projects are located in the northeastern Chibougamau-Chapais Mining Camp of the Abitibi Greenstone Belt. The consideration for the Claims is comprised of \$206,780 of cash (paid), 1,675,000 common shares (issued and valued at \$452,250), \$40,000 worth of common shares (47,059 common shares issued) and 1,025,000 warrants of Goliath (issued). The warrants are exercisable at a price of \$0.24 with expiry ranging from 3 to 5 years from date of grant. The Claims have NSRs ranging from 1% to 2% and certain royalty buyback options.

The grant date fair value of the 1,025,000 warrants was estimated as \$251,500 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.30%; expected volatility - 166% which is based on the historical volatility; expected dividend yield - nil; share price of \$0.27 and expected life - 4.22 years.

On August 10, 2020, the Company received final TSXV approval and completed the acquisition of the Claims.

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7. Amounts receivable and deposits

	As at June 30, 2022	As at June 30, 2021
Sales tax receivable	\$ 172,191	\$ 71,636
Deposits and prepaid expenses	711,510	618,805
Mining tax credit receivable	433,000	-
	\$ 1,316,701	\$ 690,441

8. Investments

During the year ended June 30, 2020, the Company received 250,000 common shares and 250,000 warrants of Juggernaut Exploration Ltd. ("Juggernaut") as payment for the optioning of a DSM Syndicate property by Juggernaut. The warrants have an exercise price of \$0.20 with an expiry date of March 10, 2025. On the date of acquisition, March 10, 2020, the shares and warrants were valued at \$45,000 and \$32,750, respectively based on the closing share price and the Black-Scholes option pricing model. The following weighted average assumptions were used in the Black-Scholes option pricing model: risk-free interest rate - 0.59%; expected volatility - 100% which is based on the historical volatility of comparable companies; expected dividend yield - nil; share price of \$0.18 and expected life - 5 years.

During the year ended June 30, 2021, the Company received 187,500 common shares and 187,500 warrants of Juggernaut as payment for the optioning of a DSM Syndicate property by Juggernaut. The warrants have an exercise price of \$0.42 with an expiry date of March 9, 2026. On the date of acquisition, March 9, 2021, the shares and warrants were valued at \$84,375 and \$77,250, respectively based on the closing share price and the Black-Scholes option pricing model. The following weighted average assumptions were used in the Black-Scholes option pricing model: risk-free interest rate - 0.87%; expected volatility - 152% which is based on the historical volatility of Juggernaut; expected dividend yield - nil; share price of \$0.45 and expected life - 5 years.

During the year ended June 30, 2022, the Company received 375,000 common shares of Juggernaut (valued at \$48,750) as payment for the optioning of a DSM Syndicate property by Juggernaut.

As at June 30, 2022, the Company held 812,500 Juggernaut shares (2021 - 437,500) and 437,500 warrants (2021 - 437,500) was valued at \$89,375 and \$32,437, respectively (2021 - \$109,375 and \$101,937, respectively) based on the closing share price and the Black-Scholes option pricing model. As at June 30, 2022, the following weighted average assumptions were used in the Black-Scholes option pricing model: risk-free interest rate - 3.09% (2021 - 0.87%); expected volatility - 123% (2021 - 161%) which is based on the historical volatility of Juggernaut; expected dividend yield - nil (2021 - nil); share price of \$0.12 (2021 - \$0.26) and expected life - 3.12 years (2021 - 4.13 years).

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9. Flow-through share liability

Other liability includes the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability of the flow-through shares issuance:

Balance at June 30, 2020	\$ 79,745
Liability incurred on flow-through shares issued	444,322
Settlement of flow-through share liability on incurring expenditures	(334,870)
Balance at June 30, 2021	189,197
Settlement of flow-through share liability on incurring expenditures	(189,197)
Balance at June 30, 2022	\$ -

For the year ended June 30, 2021, the flow-through common shares issued in the non-brokered private placement completed on August 6, 2020 and December 11, 2020 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$444,322.

The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the year ended June 30, 2022, the Company satisfied \$189,197 (year ended June 30, 2021 - \$334,870) of the premium liability by incurring eligible expenditures of approximately \$954,300 (year ended June 30, 2021 - \$1,596,300) and as a result the flow-through premium has been reduced to \$nil (June 30, 2021 - \$189,197).

10. Share capital

On January 6, 2021, the Company announced that it has adopted a shareholder rights plan (the "Rights Plan"). The purpose of the Rights Plan is to provide protection for the shareholders and Board of Directors with adequate time to consider and evaluate any unsolicited bid and to provide the Board of Directors with adequate time to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any such unsolicited bid.

The Rights Plan has been conditionally accepted by the TSXV and is effective as of December 11, 2020 (the "Effective Date"). At the close of business on the Effective Date, one right (a "Right") will be issued and attached to each Common Share outstanding at that time. A Right will also be attached to each common share issued after the Effective Date. The issuance of the Rights will not change the manner in which shareholders trade their common shares. The Rights Plan was ratified by shareholders at a annual general and special meeting held on March 24, 2021.

a) Authorized share capital

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

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10. Share capital (continued)

b) Common shares issued

As at June 30, 2022, the total number of shares issued was 70,182,222 and valued at \$26,864,153.

For the year ended June 30, 2021

(i) On August 6, 2020, the Company completed a non-brokered private placement for aggregate gross proceeds of \$2,166,195. The flow-through funding consisted of 3,983,455 flow-through units, priced at \$0.23 each for gross proceeds of \$916,195. Each flow-through unit consists of one flow-through common share plus one warrant to purchase one common share at \$0.25 for five years from the date of issuance. The non flow-through funding consisted of 6,249,025 units priced at \$0.20 for gross proceeds of \$1,249,805. Each non flow-through unit consists of one common share plus one warrant to purchase an additional common share at \$0.25 for five years.

The Company paid 6% finders' fees in cash of \$50,031 and 6% finders' compensation options of 250,157 (one common share and one \$0.25 warrant) priced at \$0.20 for a five year period based on a portion of non flow-through units sold. In addition, it paid six percent (6%) finders' fees in cash of \$30,521 and six percent (6%) finders' compensation options of 132,701 (one common share and one \$0.25 warrant) priced at \$0.23 for a five year period based on a portion of flow-through units sold. All shares issued pursuant to this offering and any shares issued pursuant to the exercise of warrants will be subject to a four-month and one day hold period from the closing date.

The fair values of the 10,232,480 warrants and 382,858 finders' compensation options were estimated as \$923,140 and \$70,863 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.32%; expected volatility - 162% which is based on the historical volatility of comparable companies; expected dividend yield - nil; share price of \$0.11 and expected life - 5 years.

(ii) On December 11, 2020, the Company completed a non-brokered private placement for aggregate gross proceeds of \$1,834,573. The flow-through funding consisted of 5,413,623 flow-through units, priced at \$0.25 each for gross proceeds of \$1,353,406. Each flow-through unit consists of one flow-through common share plus one warrant to purchase one common share at \$0.285 for two years from the date of issuance. The non flow-through funding consisted of 2,532,458 units priced at \$0.19 for gross proceeds of \$481,167. Each non flow-through unit consists of one common share plus one warrant to purchase an additional common share at \$0.285 for 2 years.

The fair value of the 7,946,081 warrants was estimated as \$588,005 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.25%; expected volatility - 166% which is based on the historical volatility; expected dividend yield - nil; share price of \$0.12 and expected life - 2 years.

An officer and a director purchased 204,000 non flow-through units for gross proceeds of \$38,760.

(iii) On March 5, 2021, the Company completed a non-brokered private placement for aggregate gross proceeds of \$2,862,024. The private placement consisted of 4,189,136 units priced at \$0.55 and 929,999 units priced at \$0.60. Each unit consisted of one common share plus one warrant to purchase an additional common share at \$0.86 and \$0.95, respectively for a twenty-four month period from the date of grant and is subject to an accelerator clause. The Company shall have the right to accelerate the exercise period after the 4 month hold period has expired and its common shares close at or above \$1.50 for a period of 20 consecutive trading days. If Goliath exercises such right, the Company will give a 30 day notice to the holders that the warrants will expire.

The Company paid \$40,000 in finders' fees and issued 72,727 finders' warrants exercisable at \$0.86 for 24 months.

The fair values of the 5,119,135 warrants and 72,727 finders' warrants were estimated as \$1,119,307 and \$15,648 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.29%; expected volatility - 168% which is based on the historical volatility of comparable companies; expected dividend yield - nil; share price of \$0.34 and expected life - 2 years.

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10. Share capital (continued)

b) Common shares issued (continued)

For the year ended June 30, 2022

(iv) On March 9 and 16, 2022, the Company completed non-brokered private placements for aggregate gross proceeds of \$14,609,749. The private placements consisted of an aggregate of 12,277,100 flow-through units priced at \$1.19. Each flow-through unit consisted of one common share plus one warrant to purchase an additional common share at \$1.30 for a twenty-four month period from the date of grant.

The Company paid \$455,299 in finders' fees and issued 645,709 finders' warrants exercisable at \$1.30 for 24 months.

The fair values of the 12,277,100 warrants and 645,709 finders' warrants were estimated as \$4,947,574 and \$259,860 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 1.50%; expected volatility - 122% which is based on the historical volatility of the Company; expected dividend yield - nil; share price of \$0.79 and expected life - 2 years.

11. Warrants

The following table reflects the continuity of warrants for the periods presented below:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2020	10,269,216	\$ 0.44
Issued (notes 6 and 10(b))	26,266,045	0.38
Exercised	(5,848,475)	0.21
Expired	(503,327)	3.58
Balance, June 30, 2021	30,183,459	0.38
Issued (note 10(b))	13,189,097	1.28
Exercised	(6,097,707)	0.24
Expired	(961,889)	1.49
Balance, June 30, 2022	36,312,960	\$ 0.70

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11. Warrants (continued)

The following table reflects the warrants issued and outstanding as of June 30, 2022:

Number of Warrants Outstanding	Grant Date Fair Value Net of Costs (\$)	Exercise Price (\$)	Weighted Average Contractual Life (years)	Expiry Date
5,792,816	428,664	0.285	0.45	December 11, 2022
4,261,863	917,005	0.86	0.68	March 5, 2023
836,499	171,137	0.95	0.68	March 5, 2023
625,000	157,500	0.24	1.11	August 10, 2023
12,221,060	4,704,942	1.30	1.69	March 9, 2024
701,749	252,492	1.30	1.71	March 16, 2024
2,198,575	102,432	0.15	2.81	April 20, 2025
2,730,000	130,632	0.15	2.83	April 29, 2025
5,843,810	500,170	0.25	3.10	August 6, 2025
65,588 ⁽¹⁾	12,172	0.20	3.10	August 6, 2025
100,000	23,500	0.24	3.12	August 10, 2025
936,000	384,696	0.22	3.50	December 29, 2025
36,312,960	7,785,342	0.70	1.78	

⁽¹⁾ Exercisable into one unit comprised of one common share and one warrant, exercisable at \$0.25 per share until August 6, 2025.

12. Stock options

The following table reflects the continuity of stock options for the periods presented below:

	Number of Stock Options	Weighted Average Exercise Price
Balance, June 30, 2020	1,585,999	\$ 0.20
Granted (note 12(i)(ii)(iii)(iv)(v))	3,517,390	0.51
Expired	(238,332)	0.22
Exercised	(86,667)	0.29
Balance, June 30, 2021	4,778,390	0.43
Granted (note 12(vi)(vii)(viii))	4,783,731	1.34
Expired / forfeited	(6,667)	0.29
Exercised	(2,749,000)	0.28
Balance, June 30, 2022	6,806,454	\$ 1.13

For the year ended June 30, 2022, the weighted average market price of the shares on the date the stock options were exercised is \$1.51 (June 30, 2021 - \$0.61).

(i) On August 12, 2020, the Company granted stock options of the Company to officers and directors of the Company to acquire an aggregate of 1,285,000 common shares. The stock options may be exercised at a price of \$0.26 per share and expire on August 12, 2025. The stock options vested immediately.

A value of \$309,685 was estimated for the 1,285,000 stock options on the date of grant with the following assumptions and inputs: share price of \$0.26; exercise price of \$0.26; expected dividend yield of 0%; expected volatility of 160% which is based on historical data; risk-free interest rate of 0.41%; and an expected average life of five years.

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12. Stock options (continued)

(ii) On December 31, 2020, the Company granted stock options of the Company to officers, directors and a consultant of the Company to acquire an aggregate of 1,117,390 common shares. The stock options may be exercised at a price of \$0.47 per share and expire on December 31, 2025. The stock options vested immediately.

A value of \$491,652 was estimated for the 1,117,390 stock options on the date of grant with the following assumptions and inputs: share price of \$0.47; exercise price of \$0.47; expected dividend yield of 0%; expected volatility of 166% which is based on historical data; risk-free interest rate of 0.39%; and an expected average life of five years.

(iii) On March 19, 2021 the Company granted stock options of the Company to officers and directors of the Company to acquire an aggregate of 755,000 common shares. The stock options may be exercised at a price of \$0.90 per share and expire on March 19, 2026. The stock options vested immediately.

A value of \$608,530 was estimated for the 755,000 stock options on the date of grant with the following assumptions and inputs: share price of \$0.86; exercise price of \$0.90; expected dividend yield of 0%; expected volatility of 166% which is based on historical data; risk-free interest rate of 1.0%; and an expected average life of five years.

(iv) On May 4, 2021 the Company granted stock options of the Company to officers and consultants of the Company to acquire an aggregate of 285,000 common shares. The stock options may be exercised at a price of \$0.68 per share and expire on May 4, 2026. The stock options vested immediately.

A value of \$180,975 was estimated for the 285,000 stock options on the date of grant with the following assumptions and inputs: share price of \$0.68; exercise price of \$0.68; expected dividend yield of 0%; expected volatility of 163% which is based on historical data; risk-free interest rate of 0.93%; and an expected average life of five years.

(v) On June 22, 2021 the Company granted stock options of the Company to officers and directors of the Company to acquire an aggregate of 75,000 common shares. The stock options may be exercised at a price of \$0.92 per share and expire on June 22, 2026. The stock options vested immediately.

A value of \$65,175 was estimated for the 75,000 stock options on the date of grant with the following assumptions and inputs: share price of \$0.90; exercise price of \$0.92; expected dividend yield of 0%; expected volatility of 170% which is based on historical data; risk-free interest rate of 0.95%; and an expected average life of five years.

(vi) On July 23, 2021, the Company granted stock options of the Company to officers and directors of the Company to acquire an aggregate of 390,000 common shares. The stock options may be exercised at a price of \$1.29 per share and expire on July 23, 2026. The stock options vested immediately.

A value of \$471,900 was estimated for the 390,000 stock options on the date of grant with the following assumptions and inputs: share price of \$1.29; exercise price of \$1.29; expected dividend yield of 0%; expected volatility of 166% which is based on historical data; risk-free interest rate of 0.79%; and an expected average life of five years.

(vii) On July 29, 2021, the Company granted stock options of the Company to officers and directors of the Company to acquire an aggregate of 2,938,731 common shares. The stock options may be exercised at a price of \$1.52 per share and expire on July 29, 2026. The stock options vested immediately.

A value of \$4,190,630 was estimated for the 2,938,731 stock options on the date of grant with the following assumptions and inputs: share price of \$1.52; exercise price of \$1.52; expected dividend yield of 0%; expected volatility of 166% which is based on historical data; risk-free interest rate of 0.81%; and an expected average life of five years.

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12. Stock options (continued)

(viii) On March 16, 2022, the Company granted stock options of the Company to officers, directors and consultants of the Company to acquire an aggregate of 1,455,000 common shares. The stock options may be exercised at a price of \$1.00 per share and expire on March 16, 2027. Of these stock options 1,305,000 vested immediately and 150,000 vest on the first anniversary.

A value of \$1,328,415 was estimated for the 1,455,000 stock options on the date of grant with the following assumptions and inputs: share price of \$1.00; exercise price of \$1.00; expected dividend yield of 0%; expected volatility of 151% which is based on historical data; risk-free interest rate of 2.02%; and an expected average life of five years.

The following table reflects the stock options issued and outstanding as of June 30, 2022:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
November 1, 2022	0.29	0.34	16,667	16,667	-
May 7, 2024	0.29	1.85	26,666	26,666	-
August 18, 2024	0.29	2.14	3,667	3,667	-
May 5, 2025	0.14	2.85	83,333	83,333	-
August 12, 2025	0.26	3.12	200,000	200,000	-
December 31, 2025	0.47	3.51	627,390	627,390	-
March 19, 2026	0.90	3.72	755,000	755,000	-
May 4, 2026	0.68	3.85	235,000	235,000	-
June 22, 2026	0.92	3.98	75,000	75,000	-
July 23, 2026	1.29	4.07	390,000	390,000	-
July 29, 2026	1.52	4.08	2,938,731	2,938,731	-
March 16, 2027	1.00	4.71	1,455,000	1,305,000	150,000
	1.13	4.05	6,806,454	6,656,454	150,000

13. Net loss per common share

The calculation of basic loss per share for the year ended June 30, 2022 was based on the loss attributable to common shareholders of \$13,520,110 (year ended June 30, 2021 - \$5,808,027) and the weighted average number of common shares outstanding of 59,521,747 (year ended June 30, 2021 - 35,547,906). Diluted loss per share for the year ended June 30, 2022 did not include the effect of 36,312,960 warrants (year ended June 30, 2021 - 30,183,459) and 6,806,454 stock options (year ended June 30, 2021 - 4,778,390) as they are anti-dilutive.

14. General and administrative

	Years Ended June 30,	
	2022	2021
Professional and consulting fees	\$ 1,303,916	\$ 397,615
Investor relations	566,529	260,444
Share-based payments	5,893,767	1,656,017
Regulatory fees	91,997	103,381
Administrative expenses	159,543	61,867
	\$ 8,015,752	\$ 2,479,324

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15. Exploration and acquisition costs

	Years Ended June 30,	
	2022	2021
Golddigger		
Option payments - cash, shares and warrants	\$ 253,125	\$ 3,750
Staking cost	-	10,609
Transportation	1,399,452	112,378
Imagery	25,000	34,800
Supplies	81,587	57,120
Reports	155,633	79,064
Laboratory and analysis	165,229	32,083
Geology	69,504	815
Field work exploration	874,066	395,380
Travel and accommodation	75,526	63,206
Project management	201,855	38,070
Drilling	1,638,381	79,275
Other	726,120	121,753
	\$ 5,665,478	\$ 1,028,303
Luckystrike		
Option payments - cash, shares and warrants	\$ -	\$ 1,093,300
Transportation	-	11,793
Reports	3,315	9,081
Laboratory and analysis	989	34,793
Field work exploration	1,825	16,250
Travel and accommodation	-	161
Project management	2,500	51,000
Other	6,000	28,589
	\$ 14,629	\$ 1,244,967
DSM Syndicate		
Project management	\$ -	\$ 1,500
Recovery of costs	(86,250)	(161,625)
	\$ (86,250)	\$ (160,125)
J2 Syndicate		
Project management	\$ -	\$ 1,500
	\$ -	\$ 1,500

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15. Exploration and acquisition costs (continued)

	Years Ended June 30,	
	2022	2021
Nelligan Project		
Option payments - cash, shares and warrants	\$ 25,000	\$ 925,530
Airborne geophysical survey	-	273,349
Reports	8,499	16,496
Laboratory and analysis	54,714	5,923
Geology	5,775	120,318
Field work exploration	170,590	70,324
Travel and accommodation	69,000	18,625
Other	60,870	84,300
	\$ 394,448	\$ 1,514,865
Exploration and acquisition costs	\$ 5,988,305	\$ 3,629,510

16. Segmented information

The Company operates in a single reportable operating segment, being the acquisition, exploration and evaluation of exploration and evaluation assets in Canada.

17. Related party transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Remuneration of key management of the Company was as follows:

	Years Ended June 30,	
	2022	2021
Consulting fees ⁽¹⁾	\$ 1,201,100	\$ 242,000
Share-based payments	\$ 5,580,095	\$ 1,515,092

⁽¹⁾ Consulting fees paid to the Chief Executive Officer and Chief Financial Officer for their services. Includes bonuses in the aggregate amount of \$900,000 (June 30, 2021 - \$nil) earned and paid to two executive officers pursuant to management contracts. During the year ended June 30, 2022, the Chief Executive Officer and Chief Financial Officer exercised an aggregate of 2,470,000 stock options (June 30, 2021 - nil) for gross proceeds of \$637,914.

⁽²⁾ Included in accounts payable and accrued liabilities are amounts owing to officers of \$37,821 as at June 30, 2022 (June 30, 2021 - \$nil). This balance is unsecured, non-interest bearing and due on demand.

⁽³⁾ Included in prepaid expenses is an amount of \$nil as at June 30, 2022 (June 30, 2021 - \$60,627) which was advanced to a company controlled by an officer of Goliath.

See also Note 19.

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18. Income taxes

(a) Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2021 - 26.5%) were as follows:

	Years Ended June 30,	
	2022	2021
Loss before income taxes	\$ (13,520,110)	\$ (5,808,027)
Expected income tax recovery based on statutory rate	(3,570,000)	(1,539,000)
Share-based payments	1,562,000	439,000
Non-deductible expenses for tax purposes	(12,000)	(79,000)
Change in expected income tax benefit	2,020,000	1,179,000
Deferred income tax provision (recovery)	\$ -	\$ -

(b) Deductible temporary differences

Deferred income tax assets have not been recognized in respect of the following temporary differences:

	As at June 30, 2022	As at June 30, 2021
Non-capital loss carry-forwards	\$ 7,519,000	\$ 4,974,000
Investments	166,000	28,000
Share issue costs	787,000	339,000
Mineral exploration property expenditures	7,610,000	5,123,000
Other	139,000	139,000
Deductible temporary differences	\$ 16,221,000	\$ 10,603,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

As at June 30, 2022, the Company had available for deduction against future taxable income, non-capital losses of approximately \$7,519,000 which expire over the period 2027 to 2042.

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19. Commitments and contingencies

Environmental obligations

The Company's exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

Flow-through commitments

The Company is obligated to spend approximately \$12,522,000 by December 31, 2023. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for certain tax-related amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

Management commitments

The Company is subject to management contracts that have been in place since 2020 when the market capitalization was \$3.7 million with certain executive officers that provide for payments under circumstances involving a change of control of Goliath or termination of the officers' services. As at June 30, 2022, these contracts require that additional payments of approximately \$900,000 be made upon the occurrence of a change of control. The minimum commitment upon termination of these contracts is approximately \$864,000.

In addition, these management contracts provide for two separate threshold incentive bonuses based on reaching minimum market capitalization of the Company that aligns managements performance with its shareholders. The first is an aggregate of \$900,000 once the market capitalization of the Company reaches and exceeds \$50 million for a period of at least 10 trading days and the second is \$1.8 million once the market capitalization of the Company reaches and exceeds \$100 million for a period of at least 10 trading days. During the year ended June 30, 2022, \$900,000 of incentive bonuses were paid to management and concurrently they exercised 2,470,000 of their Company options.

20. Subsequent events

(i) Subsequent to June 30, 2022, the Company issued 955,720 common shares from the exercise of warrants for gross proceeds of \$259,571.

(ii) In September 2022, the Company issued a total of 290,000 stock options with an exercise price of \$1.15 for a period of five years from the date of grant to arms length consultants and subject to the Company's stock option plan.