DESERT MOUNTAIN ENERGY CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF

INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

DESERT MOUNTAIN ENERGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
As at

		December 31, 2021		September 30, 2021
Assets				
Current Assets				
Cash and cash equivalents	**$**	**25,197,476**	$	26,614,313
Amounts receivable		**5,561**		18,887
Marketable securities (Note 4)		**315,000**		204,750
Prepaid expenses and deposits		**207,081**		301,407
Total Current Assets		**25,725,118**		27,139,357
Non-current Assets				
Surety bonds		**63,487**		63,548
Intangible assets		**11,200**		11,600
Exploration and evaluation assets (Note 5)		**7,549,480**		6,845,271
Property, plant and equipment		**758,115**		461,395
Total Assets	**$**	**34,107,400**	$	34,521,171
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	**$**	**307,508**	$	502,272
Due to related parties (Note 6)		**-**		14,580
Total Current Liabilities		**307,508**		516,852
Non-current Liabilities				
Decommissioning liabilities		**149,934**		150,079
Total Liabilities		**457,442**		666,931
Equity				
Share capital (Note 7)		**54,427,501**		54,335,018
Share-based payments reserve (Note 7)		**9,222,369**		8,463,669
Deficit		**(29,999,912)**		(28,944,447)
Total Equity		**33,649,958**		33,854,240
Total Liabilities and Equity	**$**	**34,107,400**	$	34,521,171

Nature of Operations (Note 1)
Subsequent events (Note 12)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on February 21, 2022. They are signed on the Company's Board of Directors behalf by:

/s/ "Robert Rohlfing"
Director

/s/ "Don Mosher"
Director

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

DESERT MOUNTAIN ENERGY CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	THREE MONTHS ENDED DECEMBER 31, 2021	2020
Expenses		
Depreciation	**$ 20,859**	$ 400
Filing and transfer agent fees	**10,059**	32,400
Foreign exchange	**(6,304)**	12,000
Investor relations	**20,000**	22,500
Insurance	**71,561**	10,242
Marketing	**163,246**	39,039
Office and miscellaneous	**12,555**	10,226
Professional and consulting fees (Note 6)	**174,155**	288,508
Share-based payments (Notes 6,7)	**667,438**	325,651
Travel	**32,146**	13,129
Loss before other items	**(1,165,715)**	(754,095)
Other items		
Change in fair value of marketable securities (Note 4)	**110,250**	(55,125)
Net loss and comprehensive loss for the period	**$(1,055,465)**	$ (809,220)
Basic and diluted loss per common share	**$ (0.01)**	$ (0.01)
Weighted average number of common shares Outstanding – basic and diluted	**71,122,758**	58,141,638

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

DESERT MOUNTAIN ENERGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Share Capital			Share Subscriptions		
	Shares	Amount	Reserves	Received in Advance	Deficit	Total Equity
Balance, September 30, 2020	49,386,905	$ 23,189,768	$ 2,674,717	$ 8,654,400	$ (21,049,072)	$ 13,469,813
Issuance of shares for cash	8,203,062	13,124,900	-	(8,654,400)	-	4,470,500
Share issuance costs	268,952	(756,644)	303,326	-	-	(453,318)
Exercise of warrants	1,003,446	309,615	(150)	-	-	309,465
Exercise of stock options	259,375	96,786	(40,848)	-	-	55,938
Share-based payments	-	-	325,651	-	-	325,651
Net loss for the period	-	-	-	-	(809,220)	(809,220)
Balance, December 31, 2020	59,121,740	$ 35,964,425	$ 3,262,696	$ -	$ (21,858,292)	$ 17,368,829
Balance, September 30, 2021	71,037,674	$ 54,335,018	$ 8,463,669	$ -	$ (28,944,447)	$ 33,854,240
Exercise of warrants	113,514	43,470	(3,826)	-	-	39,644
Exercise of stock options	130,000	49,013	(18,913)	-	-	30,100
Share-based payments	-	-	781,439	-	-	781,439
Net loss for the period	-	-	-	-	(1,055,465)	(1,055,465)
Balance, December 31, 2021	**71,281,188**	**$ 54,427,501**	**$ 9,222,369**	**$ -**	**$ (29,999,912)**	**$ 33,649,958**

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

DESERT MOUNTAIN ENERGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2021 AND 2020
(Unaudited - Expressed in Canadian Dollars)

	2021	2020
Operating Activities		
Net loss for the period	**$(1,055,465)**	$ (809,220)
Items not affecting cash:		
Depreciation	**20,859**	400
Share-based payments	**667,438**	325,651
Change in fair value of marketable securities	**(110,250)**	55,125
Unrealized foreign exchange	**(84)**	3,111
Changes in non-cash operating assets and liabilities:		
Amounts receivable	**13,326**	(12,840)
Prepaid expenses and deposits	**94,326**	13,708
Accounts payable and accrued liabilities	**(386,316)**	117,987
Due to related parties	**(14,580)**	(8,680)
Cash used in operating activities	**(770,746)**	(314,758)
Investing activities		
Exploration and evaluation asset costs	**(398,656)**	(408,190)
Acquisition of property, plant and equipment	**(317,179)**	-
Cash used in investing activities	**(715,835)**	(408,190)
Financing activities		
Issue of shares for cash, net of costs	**-**	4,017,182
Exercise of warrants	**39,644**	309,465
Exercise of stock options	**30,100**	55,938
Cash provided by financing activities	**69,744**	4,382,585
Change in cash and cash equivalents	**(1,416,837)**	3,659,637
Cash and cash equivalents, beginning	**26,614,313**	10,086,982
Cash and cash equivalents, end	**$25,197,476**	$ 13,746,619

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

DESERT MOUNTAIN ENERGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in Canadian Dollars)

	2021 ($)	2020 ($)
Supplemental cash flow information:		
Capitalized share-based payments included in exploration and evaluation assets	**114,001**	-
Exploration and evaluation assets included in accounts payable	**191,552**	-
Fair value of units issued in financing	**-**	430,323
Fair value of finder's warrants issued in financing	**-**	303,326
Transfer to share capital on exercise of finder's warrants	**3,826**	150
Transfer to share capital on exercise of options	**18,913**	40,848

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

1. Nature of Operations

Desert Mountain Energy Corp. (the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on April 30, 2008 and commenced operations on June 27, 2008. The Company’s shares trade on the TSX Venture Exchange under the symbol “DME”. On December 10, 2008, the Company’s common shares were listed on the Frankfurt Stock Exchange, trading under the “QM01” symbol and on April 26, 2021, the Company began trading on the OTCQX under the symbol "DMEHF”.

The Company’s principal address and address of its registered and records office is Suite 510 – 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6.

The Company is in the process of exploring its helium properties and has not yet determined whether these properties contain deposits that are economically recoverable. As the Company does not yet have cash flow from operations, it must rely on equity financing to fund operations. To date the Company’s main source of funding has been the issuance of equity securities for cash, through private placements to investors and through public offering to institutional investors. The Company has historically raised operating capital from the sale of equity and will continue to do so.

The Company’s continuing operations and underlying value and recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its helium property interests and on future profitable production or proceeds from the disposition of the helium property interests.

The condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern. This assumes the Company will operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time but may impact the Company’s ability to obtain additional financing to support exploration activities. Furthermore, supply chain disruptions may delay the construction of the Company’s processing plant.

2. Basis of Presentation

a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

b) Basis of Measurement and Presentation

These condensed consolidated interim financial statements have been prepared using the historical cost basis except for certain financial instruments which have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2. Basis of Presentation (Continued)

c) Basis of Consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its 100% owned subsidiaries, Desert Energy Corp. of the USA (Nevada), Saguaro Family Land Company (Arizona), PAM Botswana (Pty) Ltd. (Botswana) (inactive), its 99.97% owned subsidiary, AQ Kenya Gold Limited (Kenya) (inactive), and its 99% owned subsidiary, PAM Mocambique Limitada (Mozambique) (inactive). The financial statements of the subsidiaries are prepared using accounting policies that are consistent with the Company. All intercompany transactions and balances are eliminated on consolidation.

d) Functional and Presentation Currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were made through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange* Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the exchange rates approximating those in effect on the date of the transactions.

Exchange gains and losses arising on transactions are included in the consolidated statement of loss.

3. Significant Accounting Policies

The condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the Company's 2021 annual consolidated financial statements.

4. Marketable Securities

Marketable securities consist of 1,575,000 (September 30, 2021 – 1,575,000) common shares of Brixton Metals Corporation with a fair value of $315,000 (September 30, 2021 - $204,750). The fair value of the shares has been determined by reference to published price quotations in an active market, a level 1 valuation.

(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets

	Holbrook Basin Helium Project, Arizona	Kight Gilcrease Sand Unit, Oklahoma	Total
Balance – September 30, 2020	**$ 2,129,074**	**$ 602,963**	**$ 2,732,037**
Acquisition costs:	41,733	-	41,733
Exploration costs:			
Administration	20,337	-	20,337
Aeromagnetic survey	90,692	-	90,692
Drilling and sampling	2,831,519	-	2,831,519
Equipment rental	138,570		138,570
Field work	317,831	-	317,831
Geological consulting (Note 6)	543,490	-	543,490
Geological share-based payments (Note 7)	529,556	-	529,556
Government permit fees	42,826	-	42,826
Travel	9,564	-	9,564
	4,524,385	-	4,524,385
Decommissioning liability	150,079	-	150,079
Impairment	-	(602,963)	(602,963)
Balance – September 30, 2021	**6,845,271**	**-**	**6,845,271**
Exploration costs:			
Administration	1,884	-	1,884
Aeromagnetic survey	16,330	-	16,330
Drilling and sampling	289,083	-	289,083
Equipment rental	2,199		2,199
Field work	32,837	-	32,837
Geological consulting (Note 6)	228,888	-	228,888
Geological share-based payments (Note 7)	114,001	-	114,001
Government permit fees	18,987	-	18,987
	704,209	-	704,209
Balance – December 31, 2021	**$ 7,549,480**	**$ -**	**$ 7,549,480**

5. Exploration and Evaluation Assets (Continued)

a) Holbrook Basin Helium Project, Northern Arizona, United States

The Company holds properties under lease for helium, oil and natural gas in the Holbrook Basin of Northern Arizona directly from the Arizona Department of Land. Each lease has a primary term of five years, expiring between December 2022 and September 2023. The term of the leases will be extended so long as there is production from them, insofar as they are held by production. During the primary term of the lease the Company is required to pay an annual rental fee of $1 USD per acre leased. If oil or gas is not being produced at the end of the primary lease term the Company has the right to extend the term for an additional five years by paying an annual rental fee of $2 USD per acre leased. The Arizona Department of Land holds a 12.5% gross royalty from production. Additionally, Irwin A. Olian, Jr., former Chief Executive Officer of the Company, holds a 1% gross royalty from production on certain leases. Mr. Olian facilitated the acquisition of the leases by the Company and advanced the requisite funds required for initial lease payments.

During the year ended September 30, 2020, the Company entered into an option agreement with a private party to acquire property of additional helium leases in Arizona's Holbrook Basin. Per the terms of the agreement the Company paid $6,598 ($5,000 USD) for the option to lease the properties for a period of three years. Upon exercise of the options, the Company will obtain a five-year lease covering development and production of helium, oil and gas and all other minerals from the ground optioned for consideration of $5 per acre. The term of the leases will be extended so long as there is production from them, insofar as they are held by production. A 12.5% gross royalty on all production of helium, oil and gas is payable to the Lessors. During the year ended September 30, 2021, the Company exercised its options on certain leases by paying an additional $41,733.

During the year ended September 30, 2021, the Company entered into lease agreement with a private party to acquire additional helium leases in Arizona's Holbrook Basin. Per the terms of the agreement the Company obtained a five-year lease covering development and production of helium, oil and gas and all other minerals from the ground. The term of the leases will be extended so long as there is production from them, insofar as they are held by production. A 12.5% gross royalty on all production of helium, oil and gas is payable to the Lessors. If there is no production from the properties the Company will pay an annual royalty of $5,000 USD.

b) Kight Gilcrease Sand Unit, Oklahoma, United States

During the year ended September 30, 2019, the Company acquired the Kight Gilcrease Sand Unit oil and gas project in Seminole County, Oklahoma, United States. Under the terms of the purchase agreement, the Company acquired certain oil and gas interests comprising the Kight Gilcrease Sand Unit.

As consideration for the oil and gas interests acquired, the Company paid (i) cash consideration of $180,000 USD, and (ii) issued 1,440,000 Units with a fair value of $0.20 CAD per Unit, where each Unit is comprised of one common share of the Company and one share purchase warrant. Each warrant permits the holder to purchase one additional share of the Company for a period of three years from the date of issuance at a price of $0.30 CAD per share.

5. Exploration and Evaluation Assets (Continued)

b) Kight Gilcrease Sand Unit, Oklahoma, United States (Continued)

During the year ended September 30, 2021, the Company concluded it has no intention to pursue the project, an indicator of impairment leading to a test of recoverable amount, which resulted in an impairment expense of $602,963. A value in use calculation is not applicable as the Company does not have expected cash flows from the property in this stage of operations. In estimating the fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than $nil. As this valuation technique requires management's judgment and estimates of the recoverable amount it is classified within Level 3 of the fair value hierarchy.

6. Related Party Transactions

All related party transactions were measured at the amount of consideration established and agreed to by the related parties. All amounts due from/payable to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

During the period ended December 31, 2021, the Company incurred the following transactions with related parties and had the following balances:

a) Professional fees to an accounting firm in which an officer of the Company is a partner in the amount of $16,375 (2020 - $27,945).

b) Geological fees to an officer of the Company in the amount of $94,418 (2020 - $79,314) which were capitalized as a component of exploration and evaluation assets.

c) Consulting fees to directors of the Company in the amount of $82,623 (2020 - $39,795).

d) Share-based payments to management and directors in the amount of $552,669 (2020 - $46,434), of which $114,001 (2020 - $nil) was capitalized as a component of exploration and evaluation assets.

As at December 31, 2021, $nil (September 30, 2021 - $14,580) was payable to directors and officers of the Company.

7. Share Capital and Reserves

a) Authorized

Unlimited common shares without par value and
Unlimited preferred share without par value (none issued)

b) Issued

Period ended December 31, 2021 the Company:

- Issued 113,514 common shares from the exercise of warrants for proceeds of $39,644 and issued 130,000 common shares from the exercise of stock options for proceeds of $30,100.

(Unaudited - Expressed in Canadian Dollars)

7. Share Capital and Reserves (Continued)

b) Issued (Continued)

Year ended September 30, 2021 the Company:

- Closed a non-brokered private placement which raised gross proceeds of $13,124,900 (of which $8,654,400 was received during the year ended September 30, 2020). Under the terms of the private placement, the Company issued 8,203,062 units at $1.60 per unit. Each unit consists of one common share of the Company and one share purchase warrant, where each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $2.00 for a period of two years from closing. A value of $nil was allocated to the warrants using the residual method. The Company paid cash finder's fees of $308,000, issued 268,952 finder's units with a fair value of $430,323 and issued 185,800 finder's warrants under the same terms at a fair value of $151,490. The Company also issued 160,472 finder's warrants to purchase one additional common share of the Company at an exercise price of $1.60 for a period of two years from closing at a fair value of $151,836. The Company paid $162,336 of additional cash share issuance costs related to the financing.

- Issued 11,691,255 common shares from the exercise of warrants for proceeds of $17,982,758 and issued 1,487,500 common shares from the exercise of stock options for proceeds of $331,050.

c) Share Purchase Warrants

As at December 31, 2021, the following share purchase warrants were outstanding:

NUMBER OF WARRANTS	EXERCISE PRICE ($)	EXPIRY DATES
1,440,000	0.30	January 14, 2022*
1,074,161	0.33	February 28, 2022*
500,049	0.52	June 11, 2022
7,245	2.00	October 1, 2022
160,472	1.60	October 1, 2022
147,560	2.00	October 14, 2022
3,329,487		

*Exercised subsequent to December 31, 2021
**80,000 warrants exercised subsequent to December 31, 2021

A summary of the changes in warrants is presented below:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, September 30, 2020	6,475,774	0.35
Issued	8,818,286	1.99
Exercised	(11,691,255)	1.54
Expired	(159,804)	1.10
Balance, September 30, 2021	3,443,001	0.48
Exercised	(113,514)	0.35
Balance, December 31, 2021	**3,329,487**	**0.48**

(Unaudited - Expressed in Canadian Dollars)

7. Share Capital and Reserves (Continued)

c) Share Purchase Warrants (Continued)

The following weighted average assumptions were used for the Black-Scholes valuation of finder's warrants issued:

	Three months ended December 31, 2021	Year ended September 30, 2021
Risk-fee interest rate	-	0.24%
Expected life of options	-	2 years
Expected annualized volatility	-	110.24%
Expected dividend rate	-	-
Fair value per option	-	$0.87

d) Stock Options

The Company has an incentive Stock Option Plan (the "Plan") for directors, officers, employees and consultants, under which the Company may issue stock options to purchase common shares of the Company provided that the amount of incentive stock options which may be granted and outstanding under the Plan at any time shall not exceed 10% of the then issued and outstanding common shares of the Company and subject to the prior ratification by the TSX.V.

The Company granted a total of nil (year ended September 30, 2021 – 4,350,000) stock options during the period ended December 31, 2021 to consultants, directors, and officers.

The fair value of the stock options granted was estimated on the date of grant using the Black-Scholes model with the following weighted average data and assumptions:

	Three months ended December 31, 2021	Year ended September 30, 2021
Dividend yield	-	Nil
Annualized volatility	-	108.24%
Risk-free interest rate	-	0.40%
Expected life	-	2.96 years

The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche. The expected volatility is based on the Company's historical volatility.

During the period ended December 31, 2021, the fair value of stock options vested was estimated using the Black-Scholes option-pricing model in the amount of $667,438 (year ended September 30, 2021 – $5,965,830), of which $114,001 (year ended September 30, 2021 – $529,556) has been capitalized as a component of geological consulting and services. The weighted average fair value of options granted during the period was $nil (year ended September 30, 2021 - $1.51).

(Unaudited - Expressed in Canadian Dollars)

7. Share Capital and Reserves (Continued)

d) Stock Options (Continued)

A summary of the changes in stock options is presented below:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE ($)
Balance, September 30, 2020	4,355,000	0.27
Granted	4,350,000	2.65
Exercised	(1,487,500)	0.22
Expired/forfeited	(675,000)	0.74
Balance, September 30, 2021	6,542,500	1.81
Exercised	(130,000)	0.23
Balance, December 31, 2021	**6,412,500**	**1.84**

The following table summarizes information on stock options outstanding at December 31, 2021:

EXERCISE PRICE ($)	NUMBER OUTSTANDING	NUMBER EXERCISABLE	EXPIRY DATE
0.21	600,000	600,000	January 17, 2022*
0.20	100,000	100,000	July 9, 2022
0.25	275,000	275,000	August 21, 2022
0.22	760,000	760,000	March 9, 2023
0.66	340,000	340,000	August 14, 2023
0.74	150,000	150,000	August 14, 2023
1.76	385,000	385,000	October 28, 2023
1.78	40,000	40,000	November 18, 2023
1.72	1,887,500	943,750	March 2, 2024
2.71	300,000	225,000	April 1, 2024
4.25	1,150,000	575,000	June 1, 2024
4.25	150,000	75,000	July 8, 2024
2.83	275,000	137,500	September 22, 2024
	6,412,500	**4,606,250**	

*Exercised subsequent to December 31, 2021.

e) Nature and Purpose of Reserve

The ‘Share-based Payment Reserve’ is used to recognize the fair value of stock option and warrant grants prior to exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.

8. Segmented Information

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operation decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company’s operations are within the mineral exploration sector. The Company’s mining operations are centralized whereby the Company's head office is responsible for the exploration results and for providing support in addressing local and regional issues. As of December 31, 2021, the Company's exploration and evaluation assets are in the USA.

(Unaudited - Expressed in Canadian Dollars)

8. Segmented Information (Continued)

Period ended December 31, 2021	Canada $	United States $	Kenya $	Other $	Consolidated $
Depreciation	400	20,459	-	-	20,859
Other expenses (income)	962,224	72,382	-	-	1,034,606
Net loss for the period	**962,624**	**92,841**	-	-	**1,055,465**
Current assets	25,232,854	492,264	-	-	25,725,118
Surety bonds	-	63,487	-	-	63,487
Intangible assets	11,200	-	-	-	11,200
Exploration and evaluation assets	-	7,549,480	-	-	7,549,480
Property, plant and equipment	-	758,115	-	-	758,115
Total Assets	**25,244,054**	**8,863,346**	-	-	**34,107,400**
Total Liabilities	**176,686**	**275,076**	**4,040**	**1,640**	**457,442**

Year ended September 30, 2021	Canada $	United States $	Kenya $	Other $	Consolidated $
Depreciation	1,600	3,462	-	-	5,062
Other expenses (income)	7,114,638	776,128	(360)	(93)	7,890,313
Net loss for the year	**7,116,238**	**779,590**	(360)	(93)	**7,895,375**
Current assets	26,442,177	697,180	-	-	27,139,357
Surety bonds	-	63,548	-	-	63,548
Intangible assets	11,600	-	-	-	11,600
Exploration and evaluation assets	-	6,845,271	-	-	6,845,271
Property, plant and equipment	-	461,395	-	-	461,395
Total Assets	**26,453,777**	**8,067,394**	-	-	**34,521,171**
Total Liabilities	**194,295**	**466,956**	**4,040**	**1,640**	**666,931**

9. Financial Instruments and Risk Management

Risk management is carried out by the Company’s management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments were as follows:

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer of counterparty to a financial instrument fails to meet its obligations.

Substantially all of the Company’s cash and cash equivalents are held with major financial institutions in Canada and management believes the exposure to credit risk with such institutions is minimal. The financial assets that potentially subject the Company to credit risk are amounts receivable. The Company considers the risk of material loss to be significantly mitigated due to the financial strength of the major financial institutions where cash is held. In the period ended December 31, 2021, no material provision has been recorded in respect of amounts receivable. The Company’s maximum exposure to credit risk as at December 31, 2021 is the carrying value of its financial assets.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of its mineral property interests.

9. Financial Instruments and Risk Management (Continued)

b) Liquidity Risk (Continued)

The Company's financial assets are comprised of its cash and cash equivalents and amounts receivable and the Company's financial liabilities are comprised of its accounts payable and accrued liabilities and amounts due to related parties. The Company's financial liabilities are non-interest bearing and due within 90 days of December 31, 2021.

c) Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company bank accounts and guaranteed investment certificates bear interest. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

ii) Foreign Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and the United States and maintains inactive subsidiaries in Botswana, Mozambique and Kenya. A portion of its expenses are incurred in U.S. dollars. A significant change in the currency exchange rates between the Canadian dollar and these currencies could have an effect on the Company's results of operations, financial position of cash flows.

The Company has not hedged its exposure to currency fluctuations. As at December 31, 2021, the Company was exposed to currency risk through its monetary assets and liabilities denominated in U.S. dollars, but presented in Canadian dollar equivalents. As at December 31, 2021 the Company had monetary assets of $387,692 and monetary liabilities of $98,558 denominated in US dollars. A strengthening (weakening) of the Canadian dollar against these currencies of 10% would affect net loss by approximately $29,000.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company holds marketable securities that are subject to changes in market price. A 10% decrease in the fair value of marketable securities would not have a significant effect on net comprehensive loss of the period. 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 of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company in the future. In particular, the Company's future profitability and viability from helium exploration depends upon the world market price of helium. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of helium may be produced in the future, a profitable market will exist.

As of December 31, 2021, the Company was not a producer of helium. As a result, commodity price risk may affect the Company's completion of future equity or debt transactions such as equity or debt offerings, and the exercise of equity instruments.

10. Capital Management

The Company defines capital that it manages as equity. The Company manages its capital structure in order to have funds available to support its exploration activities and sustain the future development of the business. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and exploration of resource properties.

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company expects that it will be necessary to raise additional capital in the near term in order to proceed with its exploration plans.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management considers its approach to capital management to be appropriate given the relative size of the Company. There were no changes in the Company's approach to capital management during the period.

The Company is not subject to externally imposed capital requirements.

11. Contingency

The City of Flagstaff has filed a temporary restraining order against the Company to stop the further drilling of any oil and gas wells located on the Company's Holbrook properties adjacent to Red Gap Ranch. The case is pending before the Arizona Court of Appeals and the Company continues to have confidence that it will prevail as it believes there is no merit to the City of Flagstaff's claims. As it is not possible to estimate the likelihood of the Company prevailing in this matter, nor is it possible to estimate the exact amount of any potential loss, if any, no contingent liability has been recorded.

12. Subsequent Events

Subsequent to December 31, 2021, the Company:

a) Issued 1,520,000 common shares from the exercise of warrants for proceeds of $458,400.

b) Issued 600,000 common shares from the exercise of stock options for proceeds of $126,000.

c) Issued 1,000,000 stock options to officers, directors and certain consultants exercisable for a period of five years from grant date at a price of $2.50.