
ARIZONA METALS CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2022
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Arizona Metals Corp. (the "Company") have been prepared by and are the responsibility of management.

Arizona Metals Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at September 30, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash	\$ 56,776,750	\$ 55,774,455
Sales tax recoverable	28,980	572,721
Prepaid expenses	683,981	695,748
Total current assets	57,489,711	57,042,924
Non-current assets		
Property and equipment (note 3)	55,914	-
Reclamation bond (note 7)	265,767	234,579
Total assets	\$ 57,811,392	\$ 57,277,503
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 900,555	\$ 1,069,779
Total liabilities	900,555	1,069,779
Shareholders' equity		
Share capital (note 4)	106,204,354	86,332,796
Reserves (notes 5 and 6)	5,443,723	5,191,031
Deficit	(54,737,240)	(35,316,103)
Total shareholders' equity	56,910,837	56,207,724
Total liabilities and shareholders' equity	\$ 57,811,392	\$ 57,277,503

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

Nature of operations and going concern (note 1)
 Commitments and contingencies (notes 7 and 10)
 Subsequent events (note 11)

Arizona Metals Corp.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****Unaudited**

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Operating expenses				
Salaries and benefits (note 8)	\$ 219,909	\$ 680,341	\$ 1,301,855	\$ 960,641
Exploration and evaluation expenditures (note 7)	4,118,168	3,663,987	14,235,393	12,583,104
Office and general	141,009	64,178	435,182	253,430
Professional fees (note 8)	33,356	31,219	232,463	234,947
Business development	125,425	6,047	276,611	193,777
Share-based payments (notes 5 and 8)	221,947	12,288	2,711,880	282,128
Filing fees	65,917	34,065	237,346	80,120
Depreciation (note 3)	5,318	-	14,997	-
Net loss and comprehensive loss for the period	\$ (4,931,049)	\$ (4,492,125)	\$ (19,445,727)	\$ (14,588,147)
Basic and diluted net loss per share	\$ (0.04)	\$ (0.05)	\$ (0.18)	\$ (0.18)
Weighted average number of common shares outstanding	114,108,159	89,495,426	110,410,346	80,757,428

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

Arizona Metals Corp.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Share capital		Reserves	Deficit	Total
	Shares	Amount			
Balance, December 31, 2020	65,753,710	\$ 15,256,986	\$ 5,038,780	\$ (15,699,012)	\$ 4,596,754
Private placement (note 4(b))	10,526,316	10,000,000	-	-	10,000,000
Special warrants (note 4(b))	10,000,000	21,000,000	-	-	21,000,000
Share issuance costs	-	(2,046,685)	376,364	-	(1,670,321)
Warrant valuation	-	(1,501,600)	1,501,600	-	-
Stock options exercised (note 5)	430,000	426,150	(199,150)	-	227,000
Warrants exercised	3,491,026	3,935,422	(827,544)	-	3,107,878
Share-based payments	-	-	282,128	-	282,128
Net loss for the period	-	-	-	(14,588,147)	(14,588,147)
Balance, September 30, 2021	90,201,052	\$ 47,070,273	\$ 6,172,178	\$ (30,287,159)	\$ 22,955,292
Balance, December 31, 2021	104,976,960	\$ 86,332,796	\$ 5,191,031	\$ (35,316,103)	\$ 56,207,724
Stock options exercised (note 5)	20,000	27,204	(11,204)	-	16,000
Warrants exercised (note 6)	10,062,844	19,844,354	(2,423,394)	-	17,420,960
Warrants expired	-	-	(24,590)	24,590	-
Share-based payments	-	-	2,711,880	-	2,711,880
Net loss for the period	-	-	-	(19,445,727)	(19,445,727)
Balance, September 30, 2022	115,059,804	\$106,204,354	\$ 5,443,723	\$ (54,737,240)	\$ 56,910,837

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

Arizona Metals Corp.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Operating activities		
Net loss for the period	\$(19,445,727)	\$(14,588,147)
Adjustments for:		
Share-based payments (note 5)	2,711,880	282,128
Depreciation	14,997	-
Changes in non-cash working capital items:		
Sales tax recoverable	543,741	(40,596)
Prepaid expenses	11,767	(22,430)
Accounts payable and accrued liabilities	(169,224)	897,560
Net cash used in operating activities	(16,332,566)	(13,471,485)
Investing activities		
Reclamation bond	(31,188)	(84,695)
Purchase of property and equipment	(70,911)	-
Net cash used in investing activities	(102,099)	(84,695)
Financing activities		
Proceeds from private placements	-	31,000,000
Share issuance costs	-	(1,670,321)
Proceeds from exercise of stock options	16,000	227,000
Proceeds from exercise of warrants	17,420,960	3,107,878
Net cash provided by financing activities	17,436,960	32,664,557
Net change in cash	1,002,295	19,108,377
Cash, beginning of period	55,774,455	3,885,930
Cash, end of period	\$ 56,776,750	\$ 22,994,307
Supplemental information		
Broker warrants	\$ -	\$ 376,364

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

Arizona Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Arizona Metals Corp. ("AMC" or the "Company") was incorporated under the Canada Business Corporations Act on June 28, 2017. The Company's head office, principal address and registered and records office is located at 66 Wellington Street West, Suite 4100, Toronto, Ontario, Canada, M5K 1B7. The Company completed its Initial Public Offering on March 6, 2018 and was classified as a Capital Pool Company ("CPC") as defined by the TSX Venture Exchange ("TSX-V").

On August 1, 2019, the Company completed a reverse take-over transaction ("RTO") with Croesus Gold Corp. ("Croesus") wherein the Company acquired 100% of the issued and outstanding common shares of Croesus. As a result of the share exchange, Croesus is considered to have control. While the Company is the legal acquirer, the accounting acquirer is Croesus and these financial statements are consolidated and presented with Croesus as the continuing entity. Concurrent with the RTO, the Company changed its name to Arizona Metals Corp. and began trading on the TSX-V under the symbol "AMC". On August 6, 2020, the Company began trading on the OTCQB under the ticker "AZMCF" and moved to the OTCQX in January 2021. On October 13, 2022, the Company's common shares were delisted from the TSX-V upon graduation to the TSX.

AMC is a Canadian exploration company focused on precious metal exploration in the United States. At the date of these unaudited condensed interim consolidated financial statements, the Company does not have any operating mines, nor has it earned any income.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

AMC is at an early stage of exploration and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has current assets in excess of current liabilities of \$56,589,156 at September 30, 2022 (December 31, 2021 - \$55,973,145). For the nine months ended September 30, 2022, the Company had a net loss of \$19,445,727 (nine months ended September 30, 2021 - \$14,588,147), and had cash outflows from operations of \$16,332,566 (nine months ended September 30, 2021 - \$13,471,485).

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company believes that it will have sufficient capital to operate over the next twelve months.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital.

Arizona Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022

(Expressed in Canadian Dollars)

Unaudited

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2021 annual financial statements which have been prepared in accordance with IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of November 29, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2021.

New accounting policies

Property and equipment

Property and equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Amortization is provided at rates calculated to write off the cost, less their estimated residual value, using the declining balance method at the following various rates:

Vehicles	- 30%, declining balance basis
Equipment	- 30%, declining balance basis

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item consists of major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Residual values, estimated useful lives and amortization methods are reviewed at least annually.

Change in accounting policies

During the year ended December 31, 2022, the Company adopted a number of amendments and improvements of existing standards. These included IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

Arizona Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022

(Expressed in Canadian Dollars)

Unaudited

2. Significant accounting policies (continued)

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is assessing the impact of the below of the below pronouncements on its financial statements.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

3. Property and equipment

Cost	Equipment	Vehicles	Total
Balance, December 31, 2020 and December 31, 2021	\$ -	\$ -	\$ -
Additions	12,766	58,145	70,911
Balance, September 30, 2022	\$ 12,766	\$ 58,145	\$ 70,911

Accumulated Depreciation	Equipment	Vehicles	Total
Balance, December 31, 2020 and December 31, 2021	\$ -	\$ -	\$ -
Depreciation for the period	1,914	13,083	14,997
Balance, September 30, 2022	\$ 1,914	\$ 13,083	\$ 14,997

Carrying Value	Equipment	Vehicles	Total
Balance, December 31, 2021	\$ -	\$ -	\$ -
Balance, September 30, 2022	\$ 10,852	\$ 45,062	\$ 55,914

Arizona Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022

(Expressed in Canadian Dollars)

Unaudited

4. Share capital

a) Authorized share capital

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

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2020	65,753,710	\$ 15,256,986
Private placements (i)	10,526,316	10,000,000
Special warrants converted (ii)	10,000,000	21,000,000
Share issuance costs (i)(ii)	-	(2,046,685)
Warrant valuation (ii)	-	(1,501,600)
Stock options exercised	430,000	426,150
Warrants exercised	3,491,026	3,935,422
Balance, September 30, 2021	90,201,052	\$ 47,070,273
Balance, December 31, 2021	104,976,960	\$ 86,332,796
Stock options exercised	20,000	27,204
Warrants exercised	10,062,844	19,844,354
Balance, September 30, 2022	115,059,804	\$106,204,354

(i) On January 26, 2021, the Company closed a non-brokered private placement of 10,526,316 common shares of the Company at \$0.95 per common share for gross proceeds of \$10,000,000. In connection with the offering, the Company paid cash finders' fees totaling \$211,787 and other share issuance cost of \$59,693.

(ii) On April 22, 2021, the Company completed a bought-deal private placement offering of 10,000,000 special warrants of the Company at a price of \$2.10 per special warrant for aggregate gross proceeds of \$21,000,000. Each special warrant entitled the holder to receive, without payment of additional consideration, 1 unit of the Company, on June 30, 2021.

Each unit consisted of 1 common share of the Company and one-half of 1 common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at \$3.00 per warrant until April 22, 2022. In connection with the offering, the Company paid commissions and other issue costs totaling \$1,534,360 and 525,442 broker warrants. Each broker warrant was exercisable into one (1) unit of the Company at a price of \$2.10 per unit until April 22, 2022.

The 5,000,000 warrants were assigned a grant date value of \$1,501,600, as estimated by using the Black-Scholes valuation model with the following assumptions: unit price of \$1.95, expected dividend yield of 0%, expected volatility of 82%, risk-free rate of return of 0.45%, and an expected maturity of 10 months.

The 525,442 broker warrants issued was assigned a grant date value of \$376,364, as estimated by using the Black-Scholes valuation model with the following assumptions: unit price of \$2.10, expected dividend yield of 0%, expected volatility of 88%, risk-free rate of return of 0.31%, and an expected maturity of 1 year.

Arizona Metals Corp.**Notes to the Condensed Interim Consolidated Financial Statements****Three and Nine Months Ended September 30, 2022****(Expressed in Canadian Dollars)****Unaudited**

5. Stock options

The Company's stock options outstanding are as follows:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2020	10,082,000	\$ 0.30
Issued (i)	200,000	1.00
Exercised	(430,000)	0.53
Balance, September 30, 2021	9,852,000	\$ 0.31
Balance, December 31, 2021	6,852,000	\$ 0.40
Issued (ii)(iii)	775,000	5.95
Exercised	(20,000)	0.80
Balance, September 30, 2022	7,607,000	\$ 0.96

(i) On February 8, 2021, the Company granted 200,000 stock options to directors of the Company with an exercise price of \$1.00 per share, expiring five years from the date of issuance. The stock options vested immediately upon issuance. The stock options were assigned a grant date value of \$169,076 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$1.09, expected dividend yield of 0%, expected volatility of 107%, risk-free rate of return of 0.50%, and an expected maturity of 5 years.

(ii) On January 31, 2022, the Company granted 450,000 stock options to a consultant and an employee of the Company with exercise price of \$5.38 per share, expiring in 5 years. The options vest 1/3 on grant date, 1/3 on the one year anniversary of the grant date, and 1/3 on the two year anniversary of the grant date. The stock options were assigned a grant date value of \$1,775,575 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$5.60, expected dividend yield of 0%, expected volatility of 90%, risk-free rate of return of 1.64%, and an expected maturity of 5 years.

(iii) On March 28, 2022, the Company granted 325,000 stock options to directors of the Company with exercise price of \$6.75 per share, expiring in 5 years. The options vested immediately. The stock options were assigned a grant date value of \$1,484,966 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$6.57, expected dividend yield of 0%, expected volatility of 89%, risk-free rate of return of 2.46%, and an expected maturity of 5 years.

Arizona Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022

(Expressed in Canadian Dollars)

Unaudited

5. Stock options (continued)

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

Fair value (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Exercisable options	Weighted average exercise price (\$)	Expiry date
3,412	0.43	32,000	32,000	0.25	March 6, 2023
236,033	1.17	500,000	300,000	0.68	November 30, 2023
467,071	1.49	1,800,000	1,800,000	0.30	March 27, 2024
202,031	2.13	600,000	600,000	0.40	November 15, 2024
763,217	2.68	1,400,000	1,400,000	0.66	June 4, 2025
169,076	3.36	200,000	200,000	1.00	February 8, 2026
627,386	3.64	2,300,000	2,300,000	0.20	May 19, 2026
1,775,575	4.34	450,000	150,000	5.38	January 31, 2027
1,484,966	4.49	325,000	325,000	6.75	March 28, 2027
5,728,767	2.73	7,607,000	7,107,000	0.96	

6. Warrants

The Company's warrants outstanding are as follows:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2020	10,883,711	\$ 0.66
Issued	5,525,442	2.92
Exercised	(3,491,026)	0.89
Balance, September 30, 2021	12,918,127	\$ 1.56
Balance, December 31, 2021	10,025,969	\$ 1.74
Issued	262,720	3.00
Exercised	(10,062,844)	1.73
Expired	(90,001)	3.00
Balance, September 30, 2022	135,844	\$ 4.25

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

Fair value (\$)	Number of warrants	Weighted average exercise price (\$)	Expiry date
277,726	135,844	4.25	November 12, 2022 (i)

(i) Subsequent to September 30, 2022, 135,844 warrants expired unexercised.

Arizona Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022

(Expressed in Canadian Dollars)

Unaudited

7. Exploration and evaluation expenditures

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Sugarloaf Peak Gold Project				
Concession fees	\$ 11,639	\$ 11,873	\$ 34,651	\$ 37,087
Consulting	24,418	144,282	24,418	194,610
	36,057	156,155	59,069	231,697
Kay Mine				
Acquisition cost	-	-	-	2,853,057
Concession fees	3,341	3,408	9,945	10,644
Legal fees	62,238	5,007	125,260	79,848
Consulting	479,252	124,619	2,044,261	440,891
Camp costs	41,157	55,466	139,565	136,844
Drilling	3,390,829	3,245,257	11,499,081	8,656,338
Assays	105,294	74,075	358,212	162,707
Storage	-	-	-	11,078
	4,082,111	3,507,832	14,176,324	12,351,407
Total exploration and evaluation expenditures	\$ 4,118,168	\$ 3,663,987	\$ 14,235,393	\$ 12,583,104

Sugarloaf Peak Gold Project

On December 16, 2014, Croesus entered into an option agreement with Riverside Resources Inc. ("Riverside") effective December 16, 2014, as amended December 18, 2015 and March 21, 2016 (the "Sugarloaf Option Agreement") whereby Riverside granted to Croesus the irrevocable and exclusive right and option (the "Option") to purchase and acquire 100% of Riverside's right, title and interest (of any nature or kind whatsoever) in and to the Sugarloaf Peak Gold Project. Croesus exercised the option in full by making aggregate cash payments to Riverside of \$700,000 (December 31, 2021 - aggregate cash payments of \$700,000) and issuing an aggregate of 10,300,000 common shares (December 31, 2021 - aggregate common shares issued of 10,300,000) to Riverside.

The Sugarloaf Gold Peak Project is subject to a 2% net smelter return royalty due to Riverside and a 1.5% royalty to Arizona Gold Holdings, LLC. AMC has the right to repurchase 0.5% of the royalty granted to Riverside for \$2,000,000 until the commencement of production on the Sugarloaf Peak Gold Project. In addition, AMC retains the right to require Riverside to repurchase 1% of the 1.5% royalty held by Arizona Gold Holdings, LLC for US\$1,000,000, which repurchase amount would be funded by AMC.

At September 30, 2022, the Company has provided aggregate of \$54,652 (December 31, 2021 - \$54,652) in deposits as security against potential future reclamation work related to the Sugarloaf Peak Gold Project.

Arizona Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022

(Expressed in Canadian Dollars)

Unaudited

7. Exploration and evaluation expenditures (continued)

Kay Mine

On November 15, 2018, Croesus entered into an acquisition agreement ("Acquisition Agreement") with Silver Spruce Resources Inc. ("Silver Spruce") to acquire 100% interest in certain patented and unpatented mining claims in Yavapai County, Arizona, USA, known collectively as the "Kay Mine Claims". The purchase price includes:

- (a) Cash consideration of \$50,000 (paid); and
- (b) the assumption by the Company of a loan on the closing date with a principal amount of US\$450,000, accruing interest at a rate of 12% per annum. The Company repaid the full amount of the loan and the accrued interest on March 12, 2019 in the amount of \$652,165.

In May 2019, the Company entered into an agreement with Silver Spruce to amend the ongoing terms of the Acquisition Agreement ("Extension Agreement"). Under the Extension Agreement, Croesus made additional payments to Silver Spruce of \$200,000 on May 9, 2019 and \$150,000 on June 27, 2019, satisfying all of the Company's obligations under the Acquisition Agreement and Extension Agreement.

In January 2021, the Company entered into a purchase option and sale agreement to acquire 100% of six parcels of patented land totaling 107 acres, located 900 metres northeast of its Kay Mine VMS Project. The purchase price was \$2,853,057 (US\$2,250,000) and the purchase was completed in May 2021.

At September 30, 2022, the Company has provided aggregate of \$211,115 (December 31, 2021 - \$179,927) in deposits as security against potential future reclamation work related to the Kay Mine.

8. Related party transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

- (a) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Salaries and benefits	\$ 219,909	\$ 680,341	\$ 1,301,855	\$ 960,641
Share-based payments	-	-	1,484,966	169,076
Professional fees	13,085	10,969	40,360	37,964
Legal fees	6,271	14,000	114,907	274,610
	\$ 239,265	\$ 705,310	\$ 2,942,088	\$ 1,442,291

- (b) Included in professional fees is \$13,085 and \$40,360, respectively (three and nine months ended September 30, 2021 - \$10,969 and \$37,964, respectively) paid to Marrelli Support Services Inc. ("MSSI") for Eric Myung, an employee of MSSI, to act as the Chief Financial Officer ("CFO") of the Company and bookkeeping services. As at September 30, 2022, \$2,318 (December 31, 2021 - \$2,318) was owed to MSSI and this amount was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing with no fixed terms of repayment.

Arizona Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022

(Expressed in Canadian Dollars)

Unaudited

8. Related party transactions (continued)

(c) A director of the Company is a partner in a law firm that provides services on a recurrent basis to the Company. During the three and nine months ended September 30, 2022, the Company incurred legal fees of \$6,271 and \$114,907, respectively (three and nine months ended September 30, 2021 - \$14,000 and \$98,551, respectively) included in professional fees and share issuance costs of \$nil and \$nil, respectively (three and nine months ended September 30, 2021 - \$nil and \$176,059, respectively) to this law firm. As of September 30, 2022, included in accounts payable and accrued liabilities is an amount of \$167,411 (December 31, 2021 - \$7,594) owing to this law firm. The amount owing is unsecured, non-interest bearing with no fixed terms of repayment.

9. Segmented information

Operating segments

At September 30, 2022, the Company's operations comprise a single reporting operating segment engaged in mineral exploration in the United States. As the operations comprise a single reporting segment, amounts disclosed in these unaudited condensed interim consolidated financial statements also represent operating segment amounts.

Geographic segments

The Company is in the business of mineral exploration in the United States. As such, management has organized the Company's reportable segments by geographic area. The Company's operations in the United States are responsible for mineral exploration activities while the Canadian segment manages corporate head office activities. Information concerning the Company's reportable segments is as follows:

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net loss and comprehensive net loss				
Canada	\$ (812,881)	\$ (828,138)	\$ (5,210,334)	\$ (2,005,043)
United States	(4,118,168)	(3,663,987)	(14,235,393)	(12,583,104)
Total	\$ (4,931,049)	\$ (4,492,125)	\$ (19,445,727)	\$ (14,588,147)

10. Commitments and contingencies

Environmental contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management contracts

The Company is party to certain employment contracts. These contracts require that additional payments of approximately \$2,200,000 be made upon the occurrence of a change of control or \$1,100,000 upon termination without cause. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

Arizona Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022

(Expressed in Canadian Dollars)

Unaudited

11. Subsequent events

In October 13, 2022, the Company's shares began trading on the TSX under its existing ticker symbol "AMC" and were delisted from the TSX-V. The Company also announced that, in connection with the graduation to the TSX, Mrs. Rosa Maria Grace Rojas Espinoza was appointed as an independent member of the Board of Directors of the Company.