OLIVUT RESOURCES LTD.

FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTHS ENDED JULY 31, 2023

(expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The attached condensed interim financial statements have been approved by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim financial statements, in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(expressed in Canadian dollars)

	July 31, 2023 $	October 31, 2022 $
ASSETS		
CURRENT		
Cash and cash equivalents (Note 4)	325,492	187,865
Amounts receivable	689	1,273
Prepaid expenses and deposits (Note 5)	18,985	11,085
Current portion of loan receivable (Note 8)	1,124	1,620
TOTAL CURRENT ASSETS	346,290	201,843
EQUIPMENT (Note 7)	5,905	6,947
LOAN RECEIVABLE (Note 8)	232,410	233,118
TOTAL ASSETS	584,605	441,908
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 9 and 10)	127,299	17,729
LONG TERM LIABILITES		
Promissory note (Note 10)	1,193,978	1,193,978
TOTAL LIABILITIES	1,321,277	1,211,707
SHAREHOLDERS' (DEFICIENCY)		
CAPITAL STOCK (Note 11(b))	20,387,275	20,089,029
EQUITY RESERVES		
Share options (Note 12)	282,279	249,117
DEFICIT	(21,406,226)	(21,107,945)
TOTAL SHAREHOLDERS' (DEFICIENCY)	(736,672)	(769,799)
TOTAL LIABILITIES AND SHAREHOLDERS' (DEFICIENCY)	584,605	441,908

COMMITMENTS AND CONTINGENCIES (Notes 6 and 13)
GOING CONCERN (Note 1)

APPROVED ON BEHALF OF THE BOARD:

Signed "Leni Keough", Director

Signed "Craig Reith", Director

UNAUDITED CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(expressed in Canadian dollars)

	Three months ended July 31, 2023 $	Three months ended July 31, 2022 $	Nine months ended July 31, 2023 $	Nine months ended July 31, 2022 $
Exploration expenses (Note 6)	6,080	7,926	2,229	19,060
Administrative and general expenses (Note 10)	76,798	74,754	281,652	257,103
Share-option amortization expense (Notes 10 and 12	7,400	7,722	33,162	7,722
Other amortization (Note 7)	347	435	1,042	1,303
Loss before the under-noted	(90,625)	(90,837)	(318,085)	(285,188)
Accretion expense on promissory note (Note 10)	(54,838)	-	(164,513)	-
Interest income	7,390	4,300	19,804	13,010
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(138,073)	(86,537)	(462,794)	(272,178)
NET LOSS PER SHARE - basic and diluted	($0.00)	($0.00)	($0.00)	($0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - basic and diluted	68,840,611	62,840,611	66,906,545	62,840,611

See accompanying notes to the unaudited condensed interim financial statements.

UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(expressed in Canadian dollars)

	Three months ended July 31, 2023 $	Three months ended July 31, 2022 $	Nine months ended July 31, 2023 $	Nine months ended July 31, 2022 $
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Net loss for the period	(138,073)	(86,537)	(462,794)	(272,178)
Interest income from loan receivable	(4,091)	(4,120)	(12,296)	(12,378)
Adjustments for charges not involving cash:				
Accretion expense on promissory note (Note 10)	54,838	-	164,513	-
Deferred salary (Note 10)	55,000	55,000	109,430	112,730
Share-option amortization expense	7,400	7,722	33,162	7,722
Other amortization	347	435	1,042	1,303
	(24,579)	(27,500)	(166,943)	(162,801)
Changes in non-cash working capital balances:				
Amounts receivable	1,556	514	584	65
Prepaid expenses and deposits	(12,380)	(11,380)	(7,900)	(4,561)
Accounts payable and accrued liabilities	5,552	2,080	140	(3,275)
Cash flows used in operating activities	(29,851)	(36,286)	(174,119)	(170,572)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income from loan receivable	4,091	4,120	12,296	12,378
Loan receivable	409	380	1,204	1,122
Cash flows from investing activities	4,500	4,500	13,500	13,500
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of common shares (Note 11)	-	-	300,000	-
Cost of issue (Note 11)	-	-	(1,754)	-
Cash flows from financing activities	-	-	298,246	-
(Increase) decrease in cash and cash equivalents	(25,351)	(31,786)	137,627	(157,072)
Cash and cash equivalents, beginning of period	350,843	238,478	187,865	363,764
Cash and cash equivalents, end of period (Note 4)	325,492	206,692	325,492	206,692

See accompanying notes to the unaudited condensed interim financial statements.

UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)

(expressed in Canadian dollars)

	Shares	Capital Stock	Equity Reserves - Share Options	Deficit	Total
	# (Note 11(b))	$ (Note 11(b))	$ (Note 12)	$	$
Balance, October 31, 2021	**62,840,611**	**20,089,029**	**3,369,376**	**(24,122,674)**	**(664,269)**
Options expired	-	-	(3,148,875)	3,148,875	-
Share-option amortization expense	-	-	28,616	-	28,616
Noteholder contribution (Note 10)	-	-	-	238,796	238,796
Net loss for the year	-	-	-	(372,942)	(372,942)
Balance October 31, 2022	**62,840,611**	**20,089,029**	**249,117**	**(21,107,945)**	**(769,799)**
Common shares issued	6,000,000	300,000	-	-	300,000
Share issue costs	-	(1,754)	-	-	(1,754)
Share-option amortization expense	-	-	33,162	-	33,162
Noteholder contribution (Note 10)	-	-	-	164,513	164,513
Net loss for the period	-	-	-	(462,794)	(462,794)
Balance July 31, 2023	**68,840,611**	**20,387,275**	**282,279**	**(21,406,226)**	**(736,672)**

See accompanying notes to the unaudited condensed interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Olivut Resources Ltd. (the "Company" or "Olivut") is engaged in the acquisition, exploration and evaluation of mineral properties for the purpose of mining diamonds and other precious and base minerals. The Company's shares are listed on the TSX Venture Exchange ("TSXV:OLV"). The head office is located at 27010 Hwy 16, 14 Mountain Park Properties, Jasper East, Alberta. These financial statements were reviewed, approved and authorized for issue by the Board of Directors on August 30, 2023.

The Company is in the process of exploring properties for mineral resources and has not determined whether the properties contain economically recoverable reserves. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current or future exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon: the ability of the Company to raise financing, if necessary and/or available, its extensive regional information database, the preservation and confirmation of its interest in the underlying exploration properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the health and well-being of its key employees and consultants, the continued deferral of some or all of the President and CEO's salary and promissory note and upon the Company's ability to dispose of its interests on an advantageous basis. The outcome of these matters cannot be predicted at this time. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, native land claims and non-compliance with regulatory and environmental requirements. The Company's assets and operations are subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

The Company needs equity capital financing in order to explore and evaluate its properties and for working capital requirements and for repayment of the promissory note and unpaid salary owing to the President and CEO. Because of limited working capital and continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and/or to reach profitable levels of operation. Sustained global economic and political uncertainty could result in more costly or limited access to funding sources and there is no assurance that funds will be available on terms acceptable to the Company or at all. All of these factors indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

Pandemics and Health Emergencies

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, such as the outbreak and continuation of the respiratory illness caused by COVID-19. The Company cannot accurately predict the impact that such pandemics will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

Pandemics and Health Emergencies (Continued)

COVID-19 restrictions severely impacted the ability of the Company to conduct work in the Northwest Territories, and while the Company believes the risk for business interruption remains moderate due to human capacity and supply chain issues, future impacts may result in changes to the timing and nature of the Company's operating plans.

2. BASIS OF PRESENTATION

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies followed in these unaudited condensed interim financial statements are the same as those applied in the Company's most recent audited annual financial statements for the year ended October 31, 2022 except as described in Note 3. These unaudited condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements. Accordingly, these unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the year ended October 31, 2022.

These unaudited condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and have been prepared using the historical cost basis except for certain financial instruments which are carried at fair value as disclosed in these financial statements.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after November 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 10 - Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IAS 37 - Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

(expressed in Canadian dollars)

4. CASH AND CASH EQUIVALENTS

	July 31, 2023 $	October 31, 2022 $
Cash in accounts at Canadian chartered banks	325,492	13,281
Cash in guaranteed investment certificates issued by a Canadian chartered bank	-	174,584
	325,492	187,865

5. PREPAID EXPENSES AND DEPOSITS

	July 31, 2023 $	October 31, 2022 $
Insurance premiums	18,985	11,085

6. MINERAL PROPERTY AND EXPLORATION EXPENDITURES

The Company has a 100% interest in the HOAM Project located in the Mackenzie Region, Northwest Territories, Canada (the “HOAM Project”). This interest is subject to a 1.5% net smelter return royalty (“NSR”), 50% of which is held by a director and officer of the Company.

On July 6, 2018, the Company signed an option agreement (the “Option Agreement”) with Talmora Diamond Inc. (“Talmora”) to earn 50% in Talmora’s Seahorse Project (the “Seahorse Project”), located in the Northwest Territories, by spending $1,200,000 (in a combination of cash and in-kind expenses) over two years on exploration expenditures and making a $200,000 payment to Talmora (the “Option Payment”). The Company exercised its option to earn 50% of the Seahorse Project in accordance with the terms of the Option Agreement. Olivut and Talmora are joint (50/50) owners of the assets. Talmora has a 1% NSR on certain land. The Company and Talmora have not yet entered into a new formal joint venture company structure as contemplated in the Option Agreement.

Cumulative cash exploration expenditures made by the Company are as follows:

	HOAM $	Seahorse Project(1)(2) $	Other(3) $	Total $
Total to October 31, 2022	15,089,120	1,245,655	949,088	17,283,863
Nine months ended July 31, 2023	14,130	(11,901)(4)	-	2,229
Total to July 31, 2023	15,103,250	1,233,754	949,088	17,286,092

Notes:

1. Does not include in-kind expenses incurred relating to the Seahorse Project.
2. Includes the Option Payment.
3. Projects where the Company’s interests have been terminated.
4. Includes refund of fees in the amount of $14,498 which were previously expensed.

(expressed in Canadian dollars)

7. EQUIPMENT

	$
Cost as at October 31, 2022 and July 31, 2023	91,288
Accumulated amortization October 31, 2022	84,341
Charge for the period	1,042
Accumulated amortization as at July 31, 2023	85,383
Net book value as at July 31, 2023	5,905
Net book value as at October 31, 2022	6,947

8. LOAN RECEIVABLE

On May 25, 2007, the Company loaned $250,000 to an unrelated corporation that is providing services to the Company. The loan bears interest at 7% per annum and is secured by a general security agreement covering all assets of the borrower. Repayment terms include monthly payments of interest and principal of $1,500 with the balance due May 25, 2017. The Company entered into a loan extension agreement with the borrower extending the loan receivable for a period of three years to May 25, 2020. Two further extensions have been agreed to, extending the maturity for another 2 years each to May 25, 2022 and to May 25, 2024. All other terms and conditions remain unchanged. At maturity, the loan may be repaid by the borrower with cash or may be refinanced by the Company. Management has assessed the collectability of the loan receivable and believes that there is no material expected credit loss at July 31, 2023.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2023 $	October 31, 2022 $
Corporate payables and accrued liabilities (Note 10)	125,302	16,229
Exploration expense payables	1,997	1,500
	127,299	17,729

(expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS

The remuneration of directors and key management personnel during the period was as follows:

	Nine months ended July 31, 2023 $	2022 $
Included in Administrative and general expenses:		
Salaries and remuneration expense	165,000[(1)]	167,500[(1)]
Benefits and insurance	18,529	16,953
Share-option amortization expense	27,234	6,341
Total remuneration	210,763	190,794

Note 1: Salaries and remuneration expense accrual for the nine months ended July 31, 2023 includes $165,000 (2022 - $165,000) for salary earned by the President and CEO, of which the President and CEO elected to defer $109,430 (2022 - $112,730) and which was unpaid as at July 31, 2023.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

No bonuses were paid in the nine months ended July 31, 2023 and 2022. Independent non-executive directors are not remunerated other than the benefits received, if any, from the granting of share options.

In addition to salaries and benefits, during the nine months ended July 31, 2023 a total of $677 (2022 - $Nil) was spent for exploration expenses, and $7,200 (2022 - $7,200) for administrative and general expenses included in the statements of operations were accrued or paid to directors and officers of the Company or persons or companies related to or controlled by them. The directors and officers of the Company or persons or companies related to or controlled by them were also reimbursed at cost for expenses incurred on behalf of the Company.

In addition, there is a management contract with the President and CEO (Note 13(b)) and an NSR agreement (Note 6).

Amounts included in accounts payable and accrued liabilities owed to directors and officers of the Company or persons or companies related to or controlled by them are as follows:

	Amounts owed to related parties, as at: July 31, 2023 $	October 31, 2022 $
Officers and directors	109,566	210

(expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS (Continued)

Promissory Note

On October 31, 2022 the Company's President and CEO agreed to continue to defer the amount owing for unpaid salary as at that date by way of a promissory note from the Company. Salary earned after October 31, 2022 that has been deferred is not included in the promissory note nor subject to its terms, and instead is included in accounts payable and accrued liabilities. The note is unsecured, bears no interest and will become payable on the day following the one year anniversary of the Company's President and CEO requesting repayment. As the interest is below the market rate for such a loan, estimated at 20%, there is a deemed benefit to the Company. As such the portion of the promissory loan considered to represent that benefit is recorded in equity (deficit) as a noteholder contribution. The amount of the benefit is then recognized over the life of the promissory note as an accretion expense (during the nine months ended July 31, 2023 a total of $164,513 (2022 – nil)).

For the nine months ended July 31, 2023:	$
Issuance of promissory note	1,432,774
Interest rate benefit recognized as a noteholder contribution in 2022	(238,796)
Balance of promissory note, October 31, 2022 and July 31, 2023	1,193,978

Amounts owing to the related parties are unsecured and non-interest bearing with no fixed terms of repayment.

11. CAPITAL STOCK

The capital stock is as follows:

a) Authorized

Unlimited number of common shares without par value.

b) Issued

68,840,611 common shares

	Common Shares #	Amount $
October 31, 2022	62,840,611	20,089,029
Private placement of common shares	6,000,000	300,000
Share issue costs	-	(1,754)
July 31, 2023	68,840,611	20,387,275

On January 27, 2023 the Company issued a total of 6,000,000 common shares at a price of $0.05 per common share through a non-brokered private placement for aggregate gross proceeds of $300,000.

(expressed in Canadian dollars)

12. EQUITY RESERVES

Share options

	Number of Options #	Weighted Average Exercise Price $	Estimated Amortized Grant Date Fair Value of Options $
October 31, 2022	5,710,000	0.659	249,117
Share-option amortization expense on options granted			33,162
Total outstanding July 31, 2023	5,710,000		282,279

The Company's share option plan (the "Plan") provides for the granting of share options to independent directors (who receive no other compensation from the Company), officers, employees and consultants of the Company. Share options are granted for a term not to exceed ten years at exercise prices not less than the closing sale price of the Company's shares on the TSXV on the trading day immediately preceding the date the options are granted, but not less than $0.05 in accordance with TSXV rules, and are not transferable. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company that are issuable pursuant to the Plan is limited to 10% of the issued shares.

The fair value attributed to the options when granted is charged to share-option amortization expense and added to equity reserves over the period the options vest. $33,162 was charged to share-option amortization expense during the nine month period ended July 31, 2023 (2022 - $ 7,722).

The following is a summary of share options outstanding at July 31, 2023:

Expiry Date	Outstanding Share Options #	Exercisable Share Options #	Estimated Grant Date Fair Value $	Exercise Price $
December 15, 2024	1,090,000	1,090,000	109,000	0.110
October 25, 2027	650,000	650,000	45,500	0.075
October 16, 2028	150,000	150,000	15,000	0.110
October 28, 2029	1,275,000	1,275,000	51,000	0.050
June 27, 2032[(1)]	2,545,000	1,696,667	67,934	0.050
Total July 31, 2023	5,710,000	4,861,667	288,434	

Note 1: Options vest in three instalments: 1/3 vested December 28, 2022, 1/3 vested June 28, 2023 and 1/3 vest December 28, 2023.

The estimated grant date fair value is calculated using the Black-Scholes option pricing model. The most recent options were granted in the year ended October 31, 2022, and were valued using the following assumptions:

Expected dividend yield	0%
Risk-free interest rate	3.29%
Expected volatility	75.26%
Expected life	10 years

12. EQUITY RESERVES (Continued)

The share price used in the 2022 calculation is $0.05, the minimum price allowed by the TSVX (the market price on the day prior to the granting of the options was $0.035). The volatility used in the calculation is based on the historic volatility of the Company's shares on the TSXV.

The weighted average remaining contractual life of options as of July 31, 2023 is 6.3 years (October 31, 2022 – 7.0 years). The weighted average exercise price of options exercisable as at July 31, 2023 is $0.0686 (October 31, 2022 - $0.0786).

13. COMMITMENTS AND CONTINGENCIES

a) Environmental Contingencies

The Company's 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 has made, and expects to make in the future, expenditures to comply with such laws and regulations.

b) Management Contracts

The Company is party to a management contract. Minimum contract commitments remaining under the agreement are approximately $660,000, including $220,000 due within one year. Upon the occurrence of certain events such as a change in control, the contract requires payment of up to $1,000,000. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

c) Flow-Through Shares

Pursuant to the issuance of common shares with flow-through tax benefits to the shareholders ("flow-through shares") in prior years, the Company renounced related qualified exploration expenditures for tax purposes.

The Company was required to expend the equivalent amount on qualified exploration expenditures within certain time periods. The Company believes it has expended the entire amount on qualified exploration expenditures within the required time periods.

The Company has indemnified the subscribers of all previous flow-through share offerings against any tax related amounts that may become payable by the subscribers as a result of the Company not meeting the expenditure commitment.

14. CAPITAL MANAGEMENT

There were no changes in the Company's approach to capital management during the nine months ended July 31, 2023. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration properties. The capital of the Company consists of capital stock and equity reserves. The Board of Directors does not establish quantitative return on capital criteria for the Company's management, but rather relies on the expertise of management to sustain future development of the business.

14. CAPITAL MANAGEMENT (Continued)

The properties in which the Company currently has an interest are in the exploration stage. Accordingly, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for its administrative costs and the promissory note, the Company will spend its existing working capital and raise additional amounts as needed and if reasonably available. 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 reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires a minimum activity level defined as exploration spending of $100,000 during the past two years and 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 six months. As of July 31, 2023, the Company is not compliant with these policies of the TSXV. The final impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

15. FINANCIAL RISK FACTORS

There were no changes in the nine months ended July 31, 2023 that occurred that were attributed to financial risk, other than those risk factors arising from the COVID-19 pandemic. The Company's financial risk exposures and the impact on the Company's financial instruments are summarized below:

a) Liquidity Risk / Going Concern Risk

As at July 31, 2023, the Company had a cash and cash equivalents balance of $325,492 to settle accounts payable and accrued liabilities of $127,299. As at July 31, 2023, all of the Company's accounts payable and accrued liabilities have contractual maturities of less than one year. The promissory note will become payable on the day following the one year anniversary of the noteholder requesting repayment. The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional financing, the continued deferral of some or all of the President and CEO's salary and promissory note and the health and well-being of its key employees and consultants. Although the Company has been successful in the past in obtaining financing, there can be no assurance that additional funding will be available, or available under terms favourable to the Company, or that the President and CEO will continue to elect to defer some or all of her salary and/or repayment of the promissory note. The Company will need to rely on new sources of equity financing, if available, to meet its ongoing working capital requirements and to pay the promissory note. Failure to obtain additional financing would result in delay or the indefinite postponement of further exploration and the development of the HOAM and/or Seahorse Projects, as well as the loss of prospecting permits and/or mineral claims and the risk of the Company failing to continue as a going concern.

b) Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents, amounts receivable and a loan receivable. The Company has no significant credit risk arising from operations. Cash and cash equivalents consist of bank deposits with Canadian chartered banks and guaranteed investment certificates issued by a Canadian chartered bank. The loan receivable as described in Note 8 is secured by all assets of the borrower.

15. FINANCIAL RISK FACTORS (Continued)

c) Market Risk

(i) *Interest Rate Risk*

The Company's current policy is to invest its cash and cash equivalents balances in investment grade short-term guaranteed investment certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company considers interest rate risk to be minimal. The loan receivable is at a fixed interest rate and it is expected that future financings, if any, would be secured from equity placements rather than debt obligations.

(ii) Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes that the foreign exchange risk from currency conversions is negligible. The Company does not hold any balances in foreign currencies to give rise to foreign exchange risk.

(iii) Price Risk

The Company is exposed to price risk with respect to commodity prices. Although the Company has no influence on commodity prices, it closely monitors commodity prices to determine appropriate courses of action.

d) Fair Value

The carrying amounts for cash and cash equivalents, amounts receivable, accounts payable, accrued liabilities and the promissory note on the statements of financial position approximate fair value because of the limited terms of these instruments. The fair value of the loan receivable approximates carrying value as the interest rate approximates the current rate for similar instruments.

e) Sensitivity to Financial Risks

The Company considers interest rate risk to be minimal. The loan receivable (Note 8) has a fixed interest rate of 7% and the Company does not carry interest bearing debt. It is expected that future financings, if any, would be secured from equity placements rather than debt obligations. Based on the cash and cash equivalents held by the Company as at July 31, 2023, a 1% increase or decrease in the interest rate would generate a respective increase or decrease in interest income of approximately $3,000 annually.

f) Pandemics and Health Emergencies

Governments and regulatory bodies imposed a number of measures designed to contain the spread and outbreak of the COVID-19 disease, including temporary business closures, travel restrictions, quarantines and stay-at-home directives. The Company is closely monitoring the potential effects. As a result of the spread of COVID-19 and government actions taken, many of the risks the Company manages, both financial and non-financial, have increased.

The impacts to the Company to date have not been material, and while the Company believes the risk for business interruption remains moderate, future impacts may result in changes to the timing and nature of the Company's operating plans. Specifically, further work programs may be affected by potential supply chain disruptions and additional related costs arising from the COVID-19 pandemic, particularly on planning and work in the Northwest Territories.

16. SUBSEQUENT EVENT

On August 22, 2023 the Company closed a non-brokered private placement of 6,100,000 common shares for aggregate gross proceeds of $305,000 at a price of $0.05 per Common Share.