

MILLBANK MINING CORP.  
Financial Statements

For the Years Ended November 30, 2022 and 2021  
(Expressed in Canadian Dollars)



**DALE MATHESON CARR-HILTON LABONTE LLP**  
 CHARTERED PROFESSIONAL ACCOUNTANTS

## Independent Auditor's Report

To the Shareholders of Millbank Mining Corp.

### Opinion

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

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

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

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

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

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

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

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## Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor's report is David Goertz.



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, BC  
March 29, 2023

**Millbank Mining Corp.**  
**Statements of Financial Position**  
*(Expressed in Canadian dollars)*

As at	November 30, 2022 \$	November 30, 2021 \$
<b>Assets</b>		
<b>Current</b>		
Cash	192,568	399,993
GST receivable	24,898	14,239
Prepays	2,770	-
	220,236	414,232
<b>Non-current</b>		
Mineral property (Note 4)	201,363	139,466
<b>Total Assets</b>	<b>421,599</b>	<b>553,698</b>
<b>Liabilities</b>		
<b>Current</b>		
Accrued liabilities (Note 6)	23,801	22,609
	23,801	22,609
<b>Shareholders' Equity</b>		
Share capital (Note 5)	798,900	798,900
Contributed surplus	102,487	-
Accumulated deficit	(503,589)	(267,811)
	397,798	531,089
<b>Total Liabilities and Shareholders' Equity</b>	<b>421,599</b>	<b>533,698</b>

Nature of operations and going concern – Note 1

**APPROVED BY THE DIRECTORS**

\_\_\_\_\_  
*"Ben Asuncion"* Director

\_\_\_\_\_  
*"Martin Kowcun"* Director

**Millbank Mining Corp.**  
**Statements of Loss and Comprehensive Loss**

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

	November 30, 2022	November 30, 2021
	\$	\$
<b>Office and administrative expenses</b>		
Consulting fees	6,125	54,500
Filing and transfer agent fees	18,806	34,678
Insurance	2,540	-
Management consulting (Note 6)	36,000	37,000
Office and other	3,821	6,278
Professional fees	42,695	92,683
Rent	17,143	12,857
Share-based payments (Note 5)	102,487	-
Travel	6,161	-
<b>Net loss and comprehensive loss</b>	<b>(235,778)</b>	<b>(237,996)</b>
<b>Loss per share</b>		
Basic and diluted	(0.02)	(0.02)
<b>Weighted average number of shares outstanding</b>		
Basic and diluted	11,486,001	9,743,198

# Millbank Mining Corp.

## Statements of Cash Flows

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

	November 30, 2022	November 30, 2021
	\$	\$
<b>Cash (used in) provided by:</b>		
<b>Operating activities</b>		
Net loss	(235,778)	(237,996)
Adjustments for items not affecting cash:		
Share-based payments	102,487	-
	(133,291)	(237,996)
Changes in non-cash working capital items		
GST receivable	(10,659)	(14,239)
Prepays	(2,770)	-
Accrued liabilities	1,192	(18,771)
<b>Cash used in operating activities</b>	(145,528)	(271,006)
<b>Investing activities</b>		
Mineral property expenditures	(61,897)	(82,958)
<b>Cash used in investing activities</b>	(61,897)	(82,958)
<b>Financing activities</b>		
Net proceeds from issuance of shares pursuant to private placements	-	432,900
Share issuance receivable	-	1,000
<b>Cash provided by financing activities</b>	-	433,900
<b>Increase (decrease) in cash</b>	(207,425)	79,936
<b>Cash - beginning</b>	399,993	320,057
<b>Cash - ending</b>	192,568	399,993

**Millbank Mining Corp.**  
**Statements of Changes in Equity**

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

	Number of common shares	Share capital	Subscriptions receivable	Contributed Surplus	Accumulated deficit	Total
	#	\$	\$	\$	\$	\$
<b>Balance, November 30, 2020</b>	8,600,001	366,000	(1,000)	-	(29,815)	335,185
Shares issued pursuant to private placements	2,886,000	432,900	1,000	-	-	433,900
Net loss	-	-	-	-	(237,996)	(237,996)
<b>Balance, November 30, 2021</b>	11,486,001	798,900	-	-	(267,811)	531,089
Stock options granted	-	-	-	102,487	-	102,487
Net loss	-	-	-	-	(235,778)	(235,778)
<b>Balance, November 30, 2022</b>	11,486,001	798,900	-	102,487	(503,589)	397,798

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

# Millbank Mining Corp.

## Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

*(Expressed in Canadian dollars)*

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### 1. Nature of operations and going concern

Millbank Mining Corp. (the “Company”) was incorporated pursuant to the provisions of the Business Corporations Act of British Columbia on July 27, 2020. The Company’s principal activity is the acquisition, exploration and development of mineral properties. The Company’s corporate office is located at 503 – 905 Pender St. W, Vancouver, B.C. V6C 1L6. The Company shares trade on the TSX Venture Exchange, under the symbol “MILL”.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. As at November 30, 2022, the Company had an accumulated deficit of \$503,589 and incurred a loss of \$235,778 for the year ended November 30, 2022. These factors indicate the existence of material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent on its ability to obtain necessary financing to meet its ongoing expenses and discharge its liabilities in the normal course of business. Although the Company has been successful in obtaining financing in the past, there can be no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern.

Should the Company be unable to continue as a going concern, asset realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to carrying values, and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

### 2. Basis of preparation

#### Statement of compliance and functional currency

These financial statements are 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”).

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. These financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

These financial statements were approved by the Board of Directors on March 29, 2023.

### 3. Accounting policies

These financial statements have been prepared using the following accounting policies:

#### Financial instruments

##### a) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive loss (“FVTOCI”) or at amortized cost. The Company

# Millbank Mining Corp.

## Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

*(Expressed in Canadian dollars)*

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### 3. Accounting policies (Continued)

determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

#### **b) Measurement**

##### Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

##### Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

##### Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

#### **c) Impairment of financial assets at amortized cost**

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

#### **Derecognition**

##### Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

# Millbank Mining Corp.

## Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

*(Expressed in Canadian dollars)*

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### 3. Accounting policies (Continued)

#### Financial liabilities

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

#### **Mineral properties**

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as mineral concession taxes, option payments, wages and salaries, surveying, geological consulting and laboratory, field supplies, travel and administration. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they are incurred. Exploration and evaluation properties are not amortized during the exploration and evaluation stage. Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'.

#### **Impairment of non-financial assets**

Non-financial assets, including mineral properties are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down to its recoverable amount. An impairment loss is charged to profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in income or loss.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash generating units" or "CGU"s). These are typically the individual properties or projects.

#### **Reclamation provision**

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mine property, plant and equipment. These costs are depreciated on a basis consistent with the depreciation, depletion, and amortization of the underlying assets. The obligation is accreted over time for the change in its present value, with this accretion charge recognized as a finance expense in profit or loss. Additional environment disturbances or changes in reclamation costs will be recognized as additions to the corresponding assets and reclamation provision in the year in which they occur.

# Millbank Mining Corp.

## Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

*(Expressed in Canadian dollars)*

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### 3. Accounting policies (Continued)

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur. The Company has no material restoration, reclamation, rehabilitation or environmental obligation as the disturbance to date is minimal.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand readily convertible into a known amount of cash and can be redeemed at any time without penalties, and amounts held in trust.

#### Share capital

The Company's common shares, and any future offerings of share warrants and options are classified as equity instruments. Incremental costs directly related to the issue of new shares or options are shown in equity as a deduction from the proceeds. For equity offerings of units consisting of a common share and warrant, when both instruments are classified as equity, the Company does not bifurcate the proceeds between the common share and the other equity instruments.

#### Income taxes

Income taxes comprises both current and deferred tax. Income tax is recognized in the statement of loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the income tax is also recognized in other comprehensive income or directly in equity.

Current income taxes are the expected taxes payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to taxes payable in respect of previous years.

The Company accounts for potential future net tax assets which are attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and which are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, no net asset is recognized.

#### Loss per share

Basic loss per share is calculated by dividing the net loss for the period available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. Basic and diluted loss per share are the same for the periods presented. The Company uses the treasury stock method of calculating fully diluted earnings per share amounts, whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period.

# Millbank Mining Corp.

## Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

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### 3. Accounting policies (Continued)

#### Critical judgments in applying accounting policies

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies with the most significant effect on the amounts recognized in the Company's financial statements are as follows:

a) Going concern

In preparing these financial statements on a going concern basis, as is disclosed in Note 1 of these financial statements, Management's critical judgment is that the Company will be able to meet its obligations and continue its operations for the next twelve months.

b) Impairment of mineral properties

Expenditures on mineral properties are capitalized. The Company makes estimates and applies judgment about future events and circumstances in determining whether the carrying amount of a mineral property exceeds its recoverable amount. The recoverability of amounts shown as mineral properties and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties. Management reviews the carrying values of its mineral properties on an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's mineral properties may not be recoverable and there is a risk that these costs may be written down in future periods.

#### Key sources of estimation uncertainty

The preparation of financial statements requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on the Company's financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

a) Deferred income taxes

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period that includes the enactment date. The recognition of deferred income tax assets is based on the assumption that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

#### Accounting standards issued but not yet effective

There are no accounting pronouncements with future effective dates that are applicable or are expected to have a material impact on the Company's annual financial statements.

# Millbank Mining Corp.

## Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

### 4. Mineral property

The Company's exploration properties consist of two claim units totaling 543 hectares, namely the Arthur Lake Property, located 54 kilometres southwest of Vanderhoof, British Columbia.

A continuity of the Company's mineral property is as follows:

<b>Year ended November 30, 2022</b>	<b>Arthur Lake</b>	<b>Total</b>
Acquisition costs:		
Balance, beginning	2,415	2,415
Additions	-	-
	<u>2,415</u>	<u>2,415</u>
Deferred exploration expenditures:		
Balance, beginning	137,051	137,051
Field Expenses & Sampling	61,897	61,897
	<u>198,948</u>	<u>198,948</u>
<b>Balance, ending</b>	<b>201,363</b>	<b>201,363</b>

<b>Year ended November 30, 2021</b>	<b>Arthur Lake</b>	<b>Total</b>
Acquisition costs:		
Balance, beginning	1,508	1,508
Additions	907	907
	<u>2,415</u>	<u>2,415</u>
Deferred exploration expenditures:		
Balance, beginning	55,000	55,000
Field Expenses & Sampling	82,051	82,051
	<u>137,051</u>	<u>137,051</u>
<b>Balance, ending</b>	<b>139,466</b>	<b>139,466</b>

### 5. Share capital

a) **Authorized:** Unlimited common shares without par value.

#### b) Shares issued

During the year ended November 30, 2021, the Company closed a private placements by issuing 2,886,000 units at a price of \$0.15 per share for proceeds of \$432,900.

As at November 30, 2022, 967,801 shares were held in Escrow.

# Millbank Mining Corp.

## Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

### 5.Share capital (Continued)

#### c) Warrants

The following is a summary of changes in warrants:

	Number of Warrants	Weighted Average Exercise Price
Balance at July 27, 2020	-	-
Granted – warrants October 28, 2020	7,000,000	0.10
<b>Outstanding and exercisable as at November 30, 2021</b>	<b>7,000,000</b>	<b>0.10</b>
Balance at November 30, 2021	<b>7,000,000</b>	<b>0.10</b>
Expired	(7,000,000)	(0.10)
<b>Outstanding and exercisable as at November 30, 2022</b>	<b>-</b>	<b>-</b>

#### d) Options

On December 2, 2021, the Company announced that it granted stock options pursuant to the Company's incentive stock option plan to officers and directors of the Company to purchase an aggregate 250,000 common shares at an exercise price of \$0.55 per share. Pursuant to the terms of the grant, 250,000 options will vest immediately and all of the options will expire five years from the date of the grant.

The Company recorded share-based compensation of \$102,487 during the year ended November 30, 2022 (November 30, 2021 - \$Nil). All options granted were valued using the Black-Scholes Pricing Model with the following assumptions:

	December 2, 2021
Share price at grant date	\$0.55
Volatility	100%
Risk-free interest rate	1.83%
Expected life of options	5 years
Dividend yield	0.00%
Exercise price	\$0.55
Forfeiture rate	0.00%
Fair value of options	\$102,487

As of November 30, 2022, the following stock options were outstanding and exercisable:

Number Outstanding	Number Exercisable	Exercise Price	Expiry Date
250,000	250,000	\$0.55	December 2, 2026

As of November 30, 2022, the remaining contractual life of options was 4.01 years.

# Millbank Mining Corp.

## Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

### 6. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company has incurred the following key management personnel cost from related parties:

	Year ended November 30, 2022	Year ended November 30, 2021
	\$	\$
Management fees	36,000	37,000
Share-based compensation	102,487	-
Total	138,487	37,000

Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

As at November 30, 2022, included in accounts payable was the amount of \$2,100 (2021 - \$2,100) due to the CEO and \$1,050 (2021 - \$1,050) due to the CFO of the Company.

### 7. Financial instruments

#### Classification of financial instruments

The Company's financial instruments consist of cash and accrued liabilities. These financial instruments are classified as financial assets and liabilities and are reported at amortized cost.

The classification of the financial instruments as well as their carrying values as at November 30, 2022 is shown in the table below:

At November 30, 2022	Assets – Amortized cost	Liabilities – Amortized cost	Total
	\$	\$	\$
<b>Financial assets</b>			
Cash	192,568	-	192,568
Total financial assets	192,568	-	192,568
<b>Financial liabilities</b>			
Accrued liabilities	-	23,801	23,801
Total financial liabilities	-	23,801	23,801

The fair values approximate the carrying values due to their short-term nature.

#### Financial and capital risk management

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign currency risk, interest rate risk, credit risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors. The Board of

# Millbank Mining Corp.

## Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

*(Expressed in Canadian dollars)*

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### 7. Financial instruments (Continued)

Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Discussions of risks associated with financial assets and liabilities are detailed below:

#### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a cash loss due to the fluctuation in interest rates is limited as the Company's liabilities are non-interest bearing. The Company considers this risk to be immaterial.

#### b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company considers credit risk with respect to its cash to be immaterial as cash is mainly held through large Canadian financial institutions.

#### c) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities. Accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company has a working capital of \$196,435 as at November 30, 2022.

#### d) Commodity price risk

Commodity price risk is the risk that the value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

### 8. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the objective of the Company. In the management of capital, the Company includes its components of shareholders' equity.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital and deficit.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and controlling the capital expenditures program. The Company is not subject to externally imposed capital requirements.

The Company does not have a source of revenue. As such, the Company is dependent on external financing to fund its activities. In order to pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management policies on an ongoing basis. The Company is not subject to any externally imposed capital requirements.

# Millbank Mining Corp.

## Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

### 9. Income tax

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of 27% (2021 - 27%) to the income for the period ended and is reconciled as follows:

	Year ended November 30, 2022	Year ended November 30, 2021
	\$	\$
Loss before income taxes	(235,778)	(237,996)
Statutory tax rate	27%	27%
Expected income tax recovery	(63,600)	(64,259)
Non-deductible items and other	27,800	
Change in unrecognizable tax asset	35,800	64,259
	-	-

Significant components of the Corporation's deferred tax assets and liabilities are as follows:

	2022	2021
	\$	\$
Non-capital losses carry-forward	108,100	72,309
Valuation allowance	(108,100)	(72,309)
	-	-

At November 30, 2022, the Corporation has non-capital losses of approximately \$400,500 that may be carried forward to offset future taxable income. These losses expire in the years 2041 to 2042.