



**Condensed Interim Financial Statements**

**August 31, 2022**

**(Stated in Canadian Dollars)**

**(Unaudited – Prepared by Management)**

### **Note to Reader**

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements have been prepared by and are the responsibility of management. The Company's independent auditor has not performed a review of these interim financial statements.

**Dinero Ventures Ltd.**

Condensed Interim Statements of Financial Position

August 31, 2022 and November 30, 2021

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

	Note	August 31, 2022	November 30, 2021
<b>ASSETS</b>			
Current assets			
Cash		\$ 612,915	\$ 273,792
Receivables		5,713	127
		618,627	273,919
Non-current assets			
Deferred financing costs		-	8,415
Reclamation bond		13,000	-
Exploration advances	6	40,000	-
Exploration and evaluation assets	3	364,768	364,768
		417,768	373,183
		\$ 1,036,395	\$ 647,102
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 38,592	\$ 7,529
Due to related parties	6	12,600	-
		51,192	7,529
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	8	1,002,134	664,000
Contributed surplus		265,500	-
Deficit		(282,431)	(24,427)
		985,203	639,573
		\$ 1,036,395	\$ 647,102

Corporate Information – Note 1

Going Concern – Note 2

Commitments – Note 7

Approved on behalf of the Board on October 14, 2022:

"Edward Kruchkowski"

Edward Kruchkowski, CEO and Director

"Randolph Kasum"

Randolph Kasum, CFO and Director

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

**Dinero Ventures Ltd.**

## Condensed Interim Statements of Loss and Comprehensive Loss

For the three months ended August 31, 2022 and 2021, the nine months ended August 31, 2022 and for the period from January 27, 2021 to August 31, 2021

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

	Note	Three months ended August 31, 2022	Three months ended August 31, 2021	Nine months ended August 31, 2022	January 27, 2021 to August 31, 2021
Expenses					
Accounting and audit	6	\$ (2,299)	\$ -	\$ 13,072	\$ -
Consulting		-	-	-	9,534
Filing fees		640	-	640	-
Legal		4	1,476	3,385	6,011
Management fees	6	12,000	-	12,000	-
Office and miscellaneous		27	4	67	746
Stock-based compensation	6, 8	225,500	-	225,500	-
Transfer agent		3,340	-	3,340	-
<hr/>					
Net loss and comprehensive loss		\$ (239,212)	\$ (1,480)	\$ (258,004)	\$ (16,291)
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Loss per share – basic and diluted		\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
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Weighted average number of shares outstanding		18,395,652	4,000,000	17,601,460	1,714,286

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

**Dinero Ventures Ltd.**

## Condensed Interim Statements of Changes in Equity

For the nine months ended August 31, 2022 and for the period from January 27, 2021 to August 31, 2021

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

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	Number of shares	Amount	Contributed surplus	Deficit	Total
Balance, November 30, 2021	17,200,000	\$ 664,000	\$ -	\$ (24,427)	\$ 639,573
Issuance of common shares for cash:					
Initial public offering - \$0.15	5,000,000	750,000	-	-	750,000
Less: share issue costs	-	(411,866)	40,000	-	(371,866)
Stock-based compensation	-	-	225,500	-	225,500
Net loss and comprehensive loss	-	-	-	(258,004)	(258,004)
Balance, August 31, 2022	22,200,000	\$ 1,002,134	\$ 265,500	\$ (282,431)	\$ 985,203

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	Number of shares	Amount	Contributed surplus	Deficit	Total
Balance, January 27, 2021	-	\$ -	\$ -	\$ -	\$ -
Issuance of common shares for cash:					
Private placement - \$0.001	4,000,000	4,000	-	-	4,000
Share subscriptions	-	-	-	-	60,200
Net loss and comprehensive loss	-	-	-	(16,291)	(16,291)
Balance, August 31, 2021	4,000,000	\$ 4,000	\$ -	\$ (16,291)	\$ 47,909

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

**Dinero Ventures Ltd.**

## Condensed Interim Statements of Cash Flows

For the nine months ended August 31, 2022 and for the period from January 27, 2021 to August 31, 2021

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

	Nine months ended August 31, 2022	January 27, 2021 to August 31, 2021
<b>Operating Activities</b>		
Net loss	\$ (258,004)	\$ (16,291)
Adjustment for non-cash item:		
Stock-based compensation	225,500	-
Changes in non-cash working capital balances:		
Receivables	(5,586)	(1,138)
Accounts payable and accrued liabilities	31,064	-
Due to related parties	12,600	-
	5,574	(17,429)
<b>Financing Activities</b>		
Share subscriptions	-	60,200
Issuance of common shares, net of share issue costs	378,134	4,000
Deferred financing costs	8,415	(8,415)
	386,549	55,785
<b>Investing Activities</b>		
Expenditures on exploration and evaluation assets	-	(4,923)
Exploration advances	(40,000)	-
Reclamation bond	(13,000)	-
	(53,000)	(13,338)
Change in cash	339,123	33,433
Cash, beginning	273,792	-
Cash, ending	\$ 612,915	\$ 33,433
<b>Supplemental Information</b>		
Interest paid	\$ -	\$ -
Income tax paid	\$ -	\$ -

Non-cash Transactions - Note 9

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

## **Dinero Ventures Ltd.**

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

### **1. Corporate Information**

Dinero Ventures Ltd. (the “Company”) is an exploration stage company incorporated on January 27, 2021 under the laws of the Province of British Columbia, Canada. The Company’s business is the acquisition, exploration and evaluation of mineral properties. The Company owns a 100% interest in the Raven Project located in the Lillooet Mining Division of British Columbia, Canada.

The Company completed an initial public offering of its common shares on August 10, 2022. The Company’s common shares trade on the TSX Venture Exchange under the symbol “DNO”.

The Company’s head office and principal business address is 611 8th Street, Stewart, British Columbia, Canada, V0T 1W0.

### **2. Basis of Preparation**

#### ***Statement of Compliance***

These condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) IAS 34 “Interim Financial Reporting”.

These condensed interim financial statements do not include all of the information and disclosures required to be included in annual financial statements prepared in accordance with IFRS. These condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the period from January 27, 2021 (date of incorporation) to November 30, 2021.

These condensed interim financial statements were authorized for issue on October 14, 2022 by the directors of the Company.

#### ***Going Concern***

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and the related adverse public health developments have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. Management has implemented the safeguards and protocols recommended by the relevant health authorities to protect its workers and continues to monitor the situation.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such amounts could be material.

## **Dinero Ventures Ltd.**

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

### **2. Basis of Preparation (cont'd)**

#### ***Going Concern (cont'd)***

At August 31, 2022, the Company has working capital of \$567,435 and has an accumulated deficit of \$282,431. The Company has not generated revenue from operations and has not yet determined whether its exploration and evaluation assets contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves and the Company's ability to obtain adequate financing to develop the reserves into profitable operations. These conditions indicate material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

The Company will have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

#### ***Basis of Measurement***

These condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments, which are measured at fair value.

The Company's significant accounting policies are disclosed in Note 3 to its audited financial statements for the period from January 27, 2021 (date of incorporation) to November 30, 2021.

#### ***Use of accounting judgments, estimates and assumptions***

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities as at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Key judgments and estimates made by management with respect to those areas noted previously have been disclosed in the notes to the financial statements, as appropriate.

## **Dinero Ventures Ltd.**

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

### **2. Basis of Preparation (cont'd)**

#### ***Basis of Measurement (cont'd)***

##### *Significant accounting judgments*

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in these condensed interim financial statements are discussed below:

- The recoverability of the carrying value of exploration and evaluation assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit ("CGU"), or group of CGUs, level in the year the new information becomes available. If indicators of impairment exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment.

- The going concern assumption.

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

##### *Estimates and assumptions*

The key estimates applied in the preparation of these condensed interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Amount of mining exploration tax credit receivable.

The Company is entitled to refundable tax credits on qualified resource expenditures incurred in British Columbia. Management's judgment and estimates are applied in determining whether the resource expenditures are eligible for claiming such credits.

## Dinero Ventures Ltd.

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

### 3. Exploration and Evaluation Assets

#### *Raven Project*

On November 30, 2021, the Company entered into a property purchase and sale agreement with a company with directors in common with the Company to purchase a 100% interest in the Raven Project located in the Lillooet Mining Division of British Columbia, Canada. In consideration, the Company issued the vendor 7,000,000 common shares with a fair value of \$350,000.

The Raven Project comprises one mineral claim covering 492.28 hectares.

At August 31, 2022 and November 30, 2021, accumulated costs on the Raven Project are summarized below:

	August 31, 2022	November 30, 2021
Acquisition costs	\$ 350,000	\$ 350,000
Claim maintenance fees	14,768	14,768
	<u>\$ 364,768</u>	<u>\$ 364,768</u>

The Raven Project is in good standing with British Columbia Mineral Titles until December 9, 2022.

The Raven Project is subject to a 1.5% net smelter returns royalty to a third party. The Company has the right, at any time prior to commercial production, to purchase one-half of 1% of the 1.5% net smelter returns royalty for \$1,500,000.

### 4. Segmented Disclosure

The Company has one operating segment - the exploration and evaluation of mineral properties located in British Columbia, Canada.

## **Dinero Ventures Ltd.**

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Stated in Canadian Dollars)

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### **5. Risk Management**

The fair values of the Company's accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments. The Company's cash is classified at Level 1 of the fair value hierarchy. The Company has no financial instruments at Levels 2 or 3.

The Company has exposure to the following risks from its use of financial instruments:

#### **(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is held in a Canadian financial institution. The Company has minimal credit risk.

#### **(b) Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of August 31, 2022 are \$51,192 (November 30, 2021: \$7,529). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days. Management will be required to raise funds to meet its financial obligations.

#### **(c) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity price risk and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

At August 31, 2022 and November 30, 2021, the Company is not exposed to any significant market risk.

## Dinero Ventures Ltd.

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Stated in Canadian Dollars)

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### 6. Related Party Transactions and Key Management Compensation

The Company incurred the following charges by companies with directors in common with the Company during the nine months ended August 31, 2022 and during the period from January 27, 2021 to August 31, 2021:

	Nine months ended August 31, 2022	January 27, 2021 to August 31, 2021
Accounting	\$ 8,950	\$ -
Management fees	12,000	-
Share issue costs	2,800	-
	\$ 23,750	\$ -

Key management personnel consist of the directors of the Company. During the nine months ended August 31, 2022 and during the period from January 27, 2021 to August 31, 2021, the Company incurred the following key management compensation charges:

	Nine months ended August 31, 2022	January 27, 2021 to August 31, 2021
Accounting	\$ 8,950	\$ -
Management fees	12,000	-
Share issue costs	2,800	-
Stock-based compensation	225,500	-
	\$ 249,250	\$ -

At August 31, 2022, exploration advances includes \$40,000 (November 30, 2021: \$Nil) paid to a company with directors in common with the Company for a future exploration program.

At August 31, 2022, due to related parties includes \$12,600 (November 30, 2021: \$Nil) due to companies with directors in common with the Company for services provided. Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

### 7. Commitments

#### *Management Services Agreements:*

On April 15, 2022, the Company entered into management services agreements with private companies owned by its Chief Executive Officer and Chief Financial Officer. The agreements are effective June 1, 2022.

The agreements provide for management fees of \$2,000 per month and have a term of one year.

## Dinero Ventures Ltd.

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

### 8. Share Capital

#### Authorized:

Unlimited common shares without par value

#### Issued:

At August 31, 2022, there were 22,200,000 (November 30, 2021: 17,200,000) common shares issued and outstanding.

Since its incorporation on January 27, 2021, the Company has issued the following common shares:

- On May 31, 2021, the Company issued 4,000,000 common shares at \$0.001 per share for proceeds of \$4,000.
- On November 30, 2021, the Company issued 6,200,000 common shares at \$0.05 per share for proceeds of \$310,000. At August 31, 2021, the Company had received share subscriptions of \$60,200.
- On November 30, 2021, the Company issued 7,000,000 common shares, with a fair value of \$350,000 to acquire a 100% interest in the Raven Project (Note 3).

#### Initial Public Offering:

The Company entered into an agreement with Research Capital Corporation (the “agent”) to complete an initial public offering of 5,000,000 common shares at \$0.15 per share for gross proceeds of \$750,000.

- On August 10, 2022, the Company completed its initial public offering of 5,000,000 common shares at \$0.15 per share for gross proceeds of \$750,000.

The Company paid the agent a commission of \$75,000 and a corporate finance fee of \$35,000.

The Company issued the agent 500,000 agent’s warrants. The warrants are exercisable into common shares at \$0.15 per share until August 10, 2024. At August 31, 2022, the remaining contractual life of the agent’s warrants was 1.94 years.

The fair value of the agent’s warrants issued was \$40,000. Fair value was determined using the Black-Scholes option pricing model using the following assumptions:

Share price	\$ 0.15
Expected life of warrants	2 years
Annualized volatility	100%
Risk-free interest rate	2.5%
Dividend rate	0%

The Company incurred the following additional charges with respect to its initial public offering:

Filing fees	\$ 35,729
Legal fees and disbursements	199,449
Other professional fees	11,910
Printing	14,778
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	\$ 261,866

For accounting purposes, share issue costs were deducted from the gross proceeds of the initial public offering.

## Dinero Ventures Ltd.

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

### 8. Share Capital (cont'd)

#### Escrow:

Pursuant to an escrow agreement dated May 12, 2022, the directors of the Company agreed to deposit 13,300,000 common shares in escrow. Under the terms of the escrow agreement, 10% of the escrowed securities will be released from escrow on the listing date of the Company's common shares on the TSX Venture Exchange. The listing date was August 10, 2022. An additional 15% will be released from escrow on the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the listing date.

At August 31, 2022, there were 11,970,000 common shares held in escrow. These common shares will be released from escrow as follows:

February 10, 2023	1,995,000
August 10, 2023	1,995,000
February 10, 2024	1,995,000
August 10, 2024	1,995,000
February 10, 2025	1,995,000
August 10, 2025	1,995,000
	<hr/>
	11,970,000
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#### Seed Share Resale Restrictions:

Seed Share Resale Restrictions ("SSRR's") are hold periods imposed by the TSX Venture Exchange which apply where shares are issued to non-principals by private companies prior to an initial public offering at a price which is below the initial public offering price.

SSRR's were imposed on 3,900,000 common shares as follows:

- 2,900,000 shares are required to be held for four months following the closing of the IPO, with 20% released on the closing date and 20% released each month following the closing date.
- 1,000,000 shares are required to be held for four months following the closing of the IPO, with 10% released on the closing date and 15% released on the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the closing date.

At August 31, 2022, there were 3,220,000 common shares with resale restrictions. These common shares will become free trading as follows:

September 10, 2022	580,000
October 10, 2022	580,000
November 10, 2022	580,000
December 10, 2022	580,000
February 10, 2023	150,000
August 10, 2023	150,000
February 10, 2024	150,000
August 10, 2024	150,000
February 10, 2025	150,000
August 10, 2025	150,000
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	3,220,000
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## Dinero Ventures Ltd.

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

### 8. Share Capital (cont'd)

#### Stock Options:

The Company's stock option plan was approved by the Company's board of directors on February 28, 2022. Pursuant to the stock option plan, the board of directors may grant to directors, officers, employees and consultants incentive stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of the grant. Stock options will be exercisable for a period of up to 10 years from the date of grant. Under the stock option plan, options are required to have an exercise price not less than the closing market price of the Company's common shares prevailing on the day that the option is granted less any applicable discount permitted by the policies of the TSX Venture Exchange.

#### Stock Options Granted During the Nine Months Ended August 31, 2022:

On August 10, 2022, the Company granted 2,050,000 stock options to the directors of the Company giving them the right to purchase one common share for each option held at \$0.15 until August 10, 2027.

The fair value of the options granted during the nine months ended August 31, 2022 was \$225,500. Fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

Share price	\$ 0.15
Expected life of options	5 years
Annualized volatility	100%
Risk-free interest rate	2.50%
Dividend rate	0%
Forfeiture rate	0%

At August 31, 2022, the weighted average remaining contractual life of the outstanding options was 4.94 years.

### 9. Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. The following transactions have been excluded from the statements of cash flows:

#### For the nine months ended August 31, 2022:

- The Company issued 500,000 agent's warrants with a fair value of \$40,000 on closing of its initial public offering.