



Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF DINERO VENTURES LTD.

#### *Opinion*

We have audited the financial statements of Dinero Ventures Ltd. (the "Company"), which comprise:

- ♦ the statements of financial position at November 30, 2022 and 2021;
- ♦ the statements of loss and comprehensive loss for the year ended November 30, 2022 and for the period from January 27, 2021 to November 30, 2021;
- ♦ the statements of changes in shareholder's equity for the year ended November 30, 2022 and for the period from January 27, 2021 to November 30, 2021;
- ♦ the statements of cash flows for the year ended November 30, 2022 and for the period from January 27, 2021 to November 30, 2021; and
- ♦ the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at November 30, 2022 and 2021, and its financial performance and its cash flows for the year ended November 30, 2022 and for the period from January 27, 2021 to November 30, 2021 in accordance with International Financial Reporting Standards ("IFRS").

#### *Basis for Opinion*

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 audits 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of \$287,984 during the year ended November 30, 2022 and, as of that date, had an accumulated deficit of \$312,411. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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 of 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 audits 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 audits, and remain alert for indications that the other information appears to be materially misstated.

#### **VANCOUVER**

1700-475 Howe St  
Vancouver, BC V6C 2B3  
T: 604 687 1231  
F: 604 688 4675

#### **LANGLEY**

600-19933 88 Ave  
Langley, BC V2Y 4K5  
T: 604 282 3600  
F: 604 357 1376

#### **NANAIMO**

201-1825 Bowen Rd  
Nanaimo, BC V9S 1H1  
T: 250 755 2111  
F: 250 984 0886

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

### *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 IFRS, 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.

### *Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- ♦ 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 auditors' report is Hervé Leong-Chung.

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
February 24, 2023

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Vancouver, BC V6C 2B3  
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**Dinero Ventures Ltd.**

Statements of Financial Position

November 30, 2022 and 2021

(Stated in Canadian Dollars)

	Note	2022	2021
<b>ASSETS</b>			
Current assets			
Cash		\$ 439,226	\$ 273,792
GST receivable		9,728	127
BCMETS receivable		6,911	-
		455,865	273,919
Non-current assets			
Deferred financing costs		-	8,415
Reclamation bond	6	13,000	-
Exploration advances	8	40,000	-
Exploration and evaluation assets	5	480,895	364,768
		533,895	373,183
		\$ 989,760	\$ 647,102
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 37,107	\$ 7,529
		37,107	7,529
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	999,564	664,000
Contributed surplus	10	265,500	-
Deficit		(312,411)	(24,427)
		952,653	639,573
		\$ 989,760	\$ 647,102

Corporate Information – Note 1

Going Concern – Note 2

Commitments – Notes 9 and 10

Approved on behalf of the Board on February 24, 2023:

*“Edward Kruchkowski”*

Edward Kruchkowski, CEO and Director

*“Randolph Kasum”*

Randolph Kasum, CFO and Director

The accompanying notes are an integral part of these financial statements

**Dinero Ventures Ltd.**

## Statements of Loss and Comprehensive Loss

For the year ended November 30, 2022 and for the period from January 27, 2021 to November 30, 2021

(Stated in Canadian Dollars)

	Note	Year ended November 30, 2022	January 27, 2021 to November 30, 2021
Expenses			
Accounting and audit	8	\$ 25,072	\$ 7,500
Consulting	8	800	10,134
Filing fees		2,460	-
Legal		3,403	6,040
Management fees	8	24,000	-
Office and miscellaneous		574	753
Shareholder communications		650	-
Stock-based compensation	8, 10	225,500	-
Transfer agent		5,525	-
Net loss and comprehensive loss		\$ (287,984)	\$ (24,427)
Loss per share – basic and diluted		\$ (0.02)	\$ (0.01)
Weighted average number of shares outstanding		18,747,945	2,432,468

The accompanying notes are an integral part of these financial statements

**Dinero Ventures Ltd.**

## Statements of Changes in Shareholders' Equity

For the year ended November 30, 2022 and for the period from January 27, 2021 to November 30, 2021

(Stated in Canadian Dollars)

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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 – Note 10	5,000,000	750,000	-	-	750,000
Less: share issue costs – Note 10	-	(414,436)	40,000	-	(374,436)
Stock-based compensation – Note 10	-	-	225,500	-	225,500
Net loss and comprehensive loss	-	-	-	(287,984)	(287,984)
Balance, November 30, 2022	22,200,000	\$ 999,564	\$ 265,500	\$ (312,411)	\$ 952,653

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	Number of shares	Amount	Contributed surplus	Deficit	Total
Balance, January 27, 2021	-	\$ -	\$ -	\$ -	\$ -
Issuance of common shares for cash:					
Private placement – Note 10	4,000,000	4,000	-	-	4,000
Private placement – Note 10	6,200,000	310,000	-	-	310,000
Issuance of common shares for E&E assets:					
Property acquisition – Notes 5 and 10	7,000,000	350,000	-	-	350,000
Net loss and comprehensive loss	-	-	-	(24,427)	(24,427)
Balance, November 30, 2021	17,200,000	\$ 664,000	\$ -	\$ (24,427)	\$ 639,573

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The accompanying notes are an integral part of these financial statements

**Dinero Ventures Ltd.**

## Statements of Cash Flows

For the year ended November 30, 2022 and for the period from January 27, 2021 to November 30, 2021

(Stated in Canadian Dollars)

	Year ended November 30, 2022	January 27, 2021 to November 30, 2021
<b>Operating Activities</b>		
Net loss	\$ (287,984)	\$ (24,427)
Adjustment for non-cash item:		
Stock-based compensation	225,500	-
Changes in non-cash working capital balances:		
GST receivable	(9,601)	(127)
Accounts payable and accrued liabilities	3,999	7,529
	(68,086)	(17,025)
<b>Financing Activities</b>		
Issuance of common shares	750,000	314,000
Share issue costs	(363,480)	-
Deferred financing costs	-	(8,415)
	386,520	305,585
<b>Investing Activities</b>		
Expenditures on exploration and evaluation assets	(100,000)	(14,768)
Exploration advances	(40,000)	-
Reclamation bond	(13,000)	-
	(153,000)	(14,768)
Change in cash	165,434	273,792
Cash, beginning	273,792	-
Cash, ending	\$ 439,226	\$ 273,792
<b>Supplemental Information</b>		
Interest paid	\$ -	\$ -
Income tax paid	\$ -	\$ -

Non-cash Transactions – Note 11

The accompanying notes are an integral part of these financial statements

## **Dinero Ventures Ltd.**

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

### **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 – 8<sup>th</sup> Street, Stewart, British Columbia, Canada, V0T 1W0.

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

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

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issue on February 24, 2023 by the directors of the Company.

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

These 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 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.

During the year ended November 30, 2022, the Company incurred a net loss of \$287,984 and as of that date has an accumulated deficit of \$312,411. 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.

## Dinero Ventures Ltd.

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

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

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

These 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 financial statements are presented in Canadian dollars, which is the Company's functional currency.

#### ***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.

#### ***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 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 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.

## **Dinero Ventures Ltd.**

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

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

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

##### **Estimates and assumptions**

The key estimates applied in the preparation of these 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 or not the resource expenditures are eligible for such credits and the estimated amount receivable.

- Assumptions used in the calculation of the fair value assigned to share-based payments.

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions, including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's equity reserves.

### **3. Significant Accounting Policies**

These financial statements have, in management's opinion, been properly and consistently prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

#### ***Exploration and Evaluation Assets***

##### **Exploration and evaluation expenditures:**

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation costs incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized as a component of mineral properties. Such expenditures include, but are not limited to, exploration license expenditures, leasehold property acquisition costs, evaluation costs, including drilling costs directly attributable to a property, and directly attributable general and administrative costs. From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement.

As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets are tested for impairment and transferred to "mines under construction". No amortization is taken during the exploration and evaluation phase.

## **Dinero Ventures Ltd.**

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

### **3. Significant Accounting Policies (cont'd)**

#### ***Exploration and Evaluation Assets (cont'd)***

##### *Decommissioning liabilities:*

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset. The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The Company does not have decommissioning liabilities at November 30, 2022 and 2021.

#### ***Impairment of Long-lived Assets***

Assets that have an indefinite useful life are tested annually for impairment. At the end of each reporting period, the Company reviews the carrying amounts of its assets that are subject to amortization to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than the carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

## **Dinero Ventures Ltd.**

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

### **3. Significant Accounting Policies (cont'd)**

#### ***Income Taxes***

Income tax expense, consisting of current and deferred tax expense, is recognized in the statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### ***Mining Exploration Tax Credits***

The Company is eligible to receive mining exploration tax credits for certain qualifying work done on its exploration properties. The benefits related to such mining exploration tax credits are credited against exploration costs in the period in which the Company can reasonably estimate the amounts to be received and establish their ultimate recovery.

#### ***Loss Per Share***

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of share options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

Existing share options and share purchase warrants have not been included in the computation of diluted loss per share, as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share is the same. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

## **Dinero Ventures Ltd.**

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

### **3. Significant Accounting Policies (cont'd)**

#### ***Share-based Payments***

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes or another accepted option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral property interests with a corresponding increase in option reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in option reserves is transferred to share capital. For those options that expire or are forfeited after vesting, the recorded value is transferred to deficit.

#### ***Flow-through Shares***

Resource expenditures for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. A liability is recognized for the premium on the flow-through shares and is subsequently reversed as the Company incurs qualifying Canadian exploration expenses.

In circumstances where the Company has issued flow-through shares by way of a unit offering, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve first based on the fair value. Any remaining residual value is then recognized as a liability for the premium on the flow-through shares.

#### ***Share Capital***

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in share capital and the related residual value is transferred to share capital. For those warrants that expire, the recorded value is transferred to deficit.

## Dinero Ventures Ltd.

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

### 3. Significant Accounting Policies (cont'd)

#### ***Financial Instruments***

The following table shows the classification of financial instruments:

Financial Assets/Liabilities	Classification
Cash	FVTPL
Reclamation bond	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

#### Financial Assets:

##### Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and iii) is not designated as fair value through profit or loss or fair value through other comprehensive income.

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets measured at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value therein, recognized in profit or loss. The Company's cash is included in financial assets at fair value through profit or loss.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

Financial assets measured at fair value through other comprehensive income are carried in the statement of financial position at fair value with changes in fair value therein, recognized in other comprehensive loss.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance. The Company's reclamation bond is included in financial assets at amortized cost.

## **Dinero Ventures Ltd.**

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

### **3. Significant Accounting Policies (cont'd)**

#### ***Financial Instruments (cont'd)***

##### Financial Assets: (cont'd)

##### Derecognition

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 consolidated statements of loss and comprehensive income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

##### Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

##### Financial Liabilities:

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Other financial liabilities are non-derivatives and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Accounts payable and accrued liabilities are included in this category and represent liabilities for goods and services provided to the Company prior to the end of the year that are unpaid.

## Dinero Ventures Ltd.

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

### 3. Significant Accounting Policies (cont'd)

#### *Financial Instruments (cont'd)*

##### Fair Value Hierarchy:

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

### 4. 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 November 30, 2022 are \$37,107 (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 November 30, 2022 and 2021, the Company is not exposed to any significant market risk.

## Dinero Ventures Ltd.

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

### 5. Exploration and Evaluation Assets

#### *Raven Property*

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 Property 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 Property comprised one mineral claim covering 492.28 hectares.

The Raven Property 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.

On October 25, 2022, the Company entered into an agreement to purchase a 100% interest in the Raven Surround Claims which surround the Raven Property on all sides. The Company paid the vendor \$100,000. The Raven Surround Claims are comprised of 14 mineral claims covering 1,209.99 hectares.

The Raven Surround Claims, which are designated as one CGU with the Raven Property, are subject to a 2% net smelter returns royalty. The Company has the right, at any time prior to commercial production, to purchase 62.5% of the 2% net smelter returns royalty (1.25%) for \$2,000,000.

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

	2022	2021
Acquisition costs	\$ 450,000	\$ 350,000
Claim maintenance fees	14,768	14,768
Equipment rental	700	-
Geological	10,713	-
Helicopter	8,840	-
Travel and field	2,785	-
BCMETS	(6,911)	-
	<u>\$ 480,895</u>	<u>\$ 364,768</u>

### 6. Reclamation Bond

The Company has pledged \$13,000 in a guaranteed investment certificate as a site reclamation bond. The bond is refundable if there is no environmental disturbance to the Raven Property.

### 7. 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 Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

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

Key management personnel consist of the directors of the Company. During the year ended November 30, 2022 and during the period from January 27, 2021 to November 30, 2021, the Company incurred the following key management compensation charges:

	Year ended November 30, 2022	January 27, 2021 to November 30, 2021
Accounting	\$ 10,950	\$ -
Consulting	800	-
Management fees	24,000	-
Share issue costs	2,800	-
Stock-based compensation	225,500	-
	<u>\$ 264,050</u>	<u>\$ -</u>

At November 30, 2022, exploration advances include \$40,000 (2021: \$Nil) paid to a company with directors in common with the Company for a drilling program at the Raven Property scheduled for 2023.

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 Property 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.

### 9. Commitments

#### *Management Services Agreements:*

On April 15, 2022, the Company entered into management services agreements with private companies controlled by its Chief Executive Officer and Chief Financial Officer. The agreements are effective June 1, 2022. Each agreement provides for management fees of \$2,000 per month and has a term of one year.

### 10. Share Capital

#### Authorized:

Unlimited common shares without par value

#### Issued:

At November 30, 2022, there were 22,200,000 (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.

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 Property.

**Dinero Ventures Ltd.**

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

**10. Share Capital (cont'd)***Initial Public Offering:*

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 November 30, 2022, the remaining contractual life of the agent's warrants was 1.69 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	\$ 38,228
Legal fees and disbursements	199,520
Other professional fees	11,910
Printing	14,778
	\$ 264,436

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

## Dinero Ventures Ltd.

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

### 10. 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 November 30, 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

#### 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 November 30, 2022, there were 1,480,000 common shares with resale restrictions. These common shares will become free trading as follows:

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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	1,480,000

## Dinero Ventures Ltd.

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

### 10. 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 Year Ended November 30, 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 year ended November 30, 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 November 30, 2022, 2,050,000 options are outstanding and exercisable. At November 30, 2022, the weighted average remaining contractual life of the outstanding options was 4.69 years.

### 11. 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. During the year ended November 30, 2022 and during the period from January 27, 2021 to November 30, 2021, the following transactions were excluded from the statements of cash flows:

	2022	2021
Share issue costs included in accounts payable	\$ 2,542	\$ -
Exploration and evaluation assets included in accounts payable	\$ 23,037	\$ -
Fair value of agent's warrants issued included in share issue costs	\$ 40,000	\$ -
Deferred financing costs from 2021 included in share issue costs	\$ 8,415	\$ -
Common shares issued for exploration and evaluation assets	\$ -	\$ 350,000
BCMETC receivable included in exploration and evaluation assets	\$ 6,911	\$ -

## Dinero Ventures Ltd.

Notes to the Financial Statements

November 30, 2022 and 2021

(Stated in Canadian Dollars)

### 12. Capital Management

The Company considers its capital to be comprised of shareholder's equity.

The Company manages its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

To facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There were no changes to the Company's approach to capital management during the year ended November 30, 2022 or during the period from January 27, 2021 to November 30, 2021. The Company's risk management procedures and policies are detailed in Note 4.

### 13. Income Taxes

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% (2021: 27%) to income before income taxes. A reconciliation of income taxes at statutory rates with reported taxes for the year ended November 30, 2022 and for the period from January 27, 2021 to November 30, 2021 is as follows:

	Year ended November 30, 2022	January 27, 2021 to November 30, 2021
Net loss for the year	\$ (287,984)	\$ (24,427)
Statutory income tax rate	27%	27%
Income tax benefit computed at statutory tax rate	(77,756)	(6,595)
Items not deductible for tax purposes	60,750	-
Unused tax losses and tax offsets	118,104	6,595
Origination and reversal of temporary differences	(101,098)	-
Income tax expense	\$ -	\$ -

At November 30, 2022, the Company has accumulated non-capital losses for tax purposes of \$170,298 that may be carried forward to apply against future years' income for income tax purposes. The losses expire as follows:

2041	\$ 24,427
2042	137,871
	\$ 162,298