



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2023 AND 2022
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)**

M3 METALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MAY 31, 2023

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

M3 METALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)**

	May 31, 2023	August 31, 2022
	\$	\$
ASSETS		
Current		
Cash	830,958	770,463
Marketable securities (Note 3)	439,036	507,300
GST receivable	12,805	4,419
Prepaid expenses	164,994	18,572
Total current assets	1,447,793	1,300,754
Property and equipment (Note 4)	4,502	6,024
Exploration and evaluation properties (Note 5)	292,937	160,000
TOTAL ASSETS	1,745,232	1,466,778
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6 and 9)	102,200	416,512
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	43,754,506	42,554,506
Reserves (Note 8)	320,000	762,102
Deficit	(42,431,474)	(42,266,342)
TOTAL SHAREHOLDERS' EQUITY	1,643,032	1,050,266
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,745,232	1,466,778

**NATURE AND CONTINUANCE OF OPERATIONS (Note 1)
SUBSEQUENT EVENT (NOTE 13)**

Approved and authorized by the Board on July 27, 2023.

On behalf of the Board:

/s/ "Kosta Tsoutsis"
Director

/s/ "Adrian Smith"
Director

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

M3 METALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)**

	For the three months ended May 31,		For the nine months ended May 31,	
	2023 \$	2022 \$	2023 \$	2022 \$
Expenses				
Consulting and directors fees (Note 9)	323,819	69,000	453,409	232,783
Depreciation (Note 4)	507	655	1,522	1,490
Investor relations	370	2,484	1,496	3,554
Marketing	4,829	1,802	11,363	5,362
Office and administration (Note 9)	32,526	24,371	85,182	68,919
Professional fees	4,682	11,600	27,315	30,585
Property investigation costs	-	-	6,269	7,000
Share-based compensation (Note 8, and 9)	320,000	-	320,000	-
Travel and related	1,585	1,428	11,404	1,428
	(688,318)	(111,340)	(917,960)	(351,121)
Unrealized gain (loss) on net change in fair value of marketable securities (Note 3)	(338,234)	(122,120)	(774,214)	(131,600)
Realized loss on sale of marketable securities (Note 3)	(225)	-	(225)	-
Gain on sales of exploration and evaluation properties	-	390,247	-	390,247
Gain on settlement of debt	59,850	-	59,850	-
Interest income	125	-	202	859
Other income	(2,612)	-	(4,309)	26,659
Recovery (write-off) of exploration and evaluation properties	708,275	-	708,275	-
	427,179	268,127	(9,274)	286,165
Net income (loss) and comprehensive income (loss) for the period	(261,139)	156,787	(927,234)	(64,956)
Basic and diluted income (loss) per share	(0.03)	0.05	(0.17)	(0.02)
Weighted average number of common shares outstanding	8,274,724	3,120,379	5,362,636	3,086,266

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

M3 METALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)**

	For the nine months ended May 31,	
	2023 \$	2022 \$
Cash flows used in operating activities		
Loss for the period	(927,234)	(64,956)
Items not affecting cash:		
Depreciation	1,522	1,490
Unrealized loss on net change in fair value of marketable securities	774,216	131,600
Realized loss on sale of marketable securities	225	-
Gain on sales of exploration and evaluation properties	-	(390,247)
Write-off (recovery) of exploration and evaluation properties	(709,422)	-
Changes in non-cash working capital items		
Amount receivable	(8,286)	(996)
Prepaid expenses	(146,422)	(3,772)
Accounts payable and accrued liabilities	(329,290)	100,696
	(1,024,691)	(226,185)
Cash flows provided by investing activities		
Exploration and evaluation property expenditures	(132,937)	(121,816)
Proceeds from sale of exploration and evaluation properties	-	1,042,000
Proceeds from sale of marketable securities	18,223	-
	(114,714)	920,184
Cash flows provided by financing activities		
Proceeds from share issuance	1,199,900	-
	1,199,900	-
Net change in cash	60,495	693,999
Cash, beginning of the period	770,463	124,568
Cash, end of the period	830,958	818,567
Supplemental cash flow information		
Shares issued for acquisition of exploration and evaluation assets	-	9,000
Share subscription receivable	100	-
Reclassification of cancelled stock options	762,102	-
Exploration and evaluation assets in accounts payable and accrued liabilities	52,239	48,763
Value of shares received from sales of exploration and evaluation assets	724,400	-

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

M3 METALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)**

	Number of Shares Issued	Share Capital	Reserves	Deficit	Total Shareholders' Equity
	#	\$	\$	\$	\$
Balance at August 31, 2021	3,064,724	42,405,506	762,102	(42,351,226)	816,382
Shares issued for exploration and evaluation assets	210,000	149,00	-	-	149,000
Loss for the period	-	-	-	(64,956)	(64,956)
Balance at May 31, 2022	3,274,724	42,554,506	762,102	(42,416,182)	900,426
Income for the period	-	-	-	149,840	149,840
Balance at August 31, 2022	3,274,724	42,554,506	762,102	(42,266,342)	1,050,266
Shares issued for proceeds	5,000,000	1,200,000	-	-	1,200,000
Stock options issued	-	-	320,000	-	320,000
Stock options cancelled	-	-	(762,102)	762,102	-
Loss for the period	-	-	-	(927,234)	(927,234)
Balance at May 31, 2023	8,274,724	43,754,506	320,000	(42,431,474)	1,643,032

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

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2023 AND 2022
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

1. NATURE AND CONTINUANCE OF OPERATIONS

M3 Metals Corp. (the “Company”) was incorporated under the Canada Business Corporations Act (CBCA) on February 27, 2007 and is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol V.MT. The Company’s business is to acquire, explore and develop interests in mineral properties located in North America.

The Company’s registered office is Suite 650 – 1188 West Georgia Street, Vancouver, BC, Canada, V6E 4A2. The Company maintains an executive office at Suite 300 - 1455 Bellevue Avenue, West Vancouver, BC, Canada, V7T 1C3.

The Company’s exploration and evaluation properties are at the exploration and evaluation stage and are without a known body of commercial ore. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities.

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

On September 16, 2022, the Company consolidated its outstanding share capital on a ten-for-one basis. The share consolidation has been applied retrospectively and as a result all shares, options, warrants, and per share amounts are stated on an adjusted basis.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company has a deficit of \$42,431,474 and has incurred ongoing losses since inception. As at May 31, 2023, the Company had not advanced any of its properties to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations. The Company may require additional financing for the upcoming fiscal year in order to maintain its operations and exploration activities. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors on July 27, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The following is a summary of significant accounting policies used in the preparation of these condensed interim consolidated financial statements.

Statement of compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting”, using accounting policies that are consistent and in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) that are in effect at May 31, 2023.

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2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Basis of presentation

These condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's annual audited financial statements for the year ended August 31, 2022.

The Company's interim results are not necessarily indicative of its results for a full year.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, ML Nevada Corp. All significant intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive income (loss).

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation properties, valuation of share-based compensation, and recognition of deferred tax amounts.

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2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Use of estimates (continued)

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation properties

Management determined exploration, evaluation, and related costs incurred which are capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based compensation

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

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Recent accounting pronouncements

Other recent accounting pronouncements issued by IFRS as issued by IASB and IFRIC did not, or are not believed by management to, have a material impact on the Company's present or future financial position, results of operations or cash flows.

3. MARKETABLE SECURITIES

Marketable securities are comprised of the following:

	May 31, 2023		August 31, 2022	
	Shares #	Fair Value \$	Shares #	Fair Value \$
International Metals Mining Corp. ("IMM")	201,700	56,476	2,632,000	394,800
Aurwest Resources Corporation ("Aurwest")	1,500,000	30,000	1,125,000	112,500
Cyclone Metals LTD ("Cyclone")	400,000,000	352,560	-	-
		439,036		507,300

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3. MARKETABLE SECURITIES (CONTINUED)

International Metals Mining Corp

In October 2020, the Company received 3,000,000 common shares of IMM at a fair value of \$0.30 per share in connection with the Aspen Gold Property option agreement (Note 5). During the year ended August 31, 2021, the Company sold 368,000 IMM common shares resulting in a net loss of \$11,465. In October 2022, IMM consolidated its shares on the basis of every ten old common shares into one new common share. In May 2023, the Company sold 61,500 IMM common shares resulting in a net loss of \$225. During the nine months ended May 31, 2023, the Company recorded an unrealized loss on net change in fair value of marketable securities of \$319,874 (May 31, 2022 – \$131,600)

Aurwest Resources Corporation

In December 2021, the Company received 1,500,000 common shares of Aurwest subject to certain escrow release conditions at a fair value of \$0.10 per share in connection with the sale of the Stars Property (Note 5). As at May 31, 2023, 1,500,000 common shares (August 31, 2022 – nil) have been released from escrow. During the nine months ended May 31, 2023, the Company recorded an unrealized loss on net change in fair value of marketable securities of \$82,500 (May 31, 2022 gain – \$nil).

Cyclone Metals Ltd.

In May 2023, the Company received 400,000,000 common shares of Cyclone at a fair value of AUS\$0.002 per share in connection with the sale of the Schefferville Property (Note 5). During the nine months ended May 31, 2023, the Company recorded an unrealized loss on net change in fair value of marketable securities of \$371,840 (May 31, 2022 loss – \$nil).

4. PROPERTY AND EQUIPMENT

	Computer hardware \$	Equipment \$	Vehicles \$	Total \$
Cost:				
At August 31, 2021	31,502	24,740	101,524	157,766
Additions	2,071	-	-	2,071
At August 31 2022 and May 31, 2023	33,573	24,740	101,524	159,837
Depreciation:				
At August 31, 2021	31,198	22,241	98,182	151,621
Charge for the year	690	500	1,002	2,192
At August 31, 2022	31,888	22,741	99,184	153,813
Charge for the period	696	301	525	1,522
At May 31, 2023	32,584	23,042	99,709	155,335
Net book value:				
At August 31, 2022	1,685	1,999	2,340	6,024
At May 31, 2023	989	1,698	1,815	4,502

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5. EXPLORATION AND EVALUATION PROPERTIES

	Schefferville \$	Aspen \$	Stars \$	Mohave \$	G- South \$	Great Texas Spring \$	Total \$
Balance, August 31, 2021	199,443	-	-	-	-	-	199,443
Property acquisition costs	-	-	-	-	160,000	-	160,000
<i>Exploration expenditures:</i>							
Geological	28,092	-	-	-	-	-	28,092
	28,092	-	-	-	160,000	-	188,092
Value of option payments received	(442,000)	-	-	(150,000)	-	-	(592,000)
Gains from option payments received	214,465	-	-	150,000	-	-	364,465
Balance, August 31, 2022	-	-	-	-	160,000	-	160,000
Staking costs	-	-	-	-	-	132,937	132,937
Balance, May 31, 2023	-	-	-	-	160,000	132,937	292,937

Schefferville Properties

In 2011, the Company acquired a 100% interest in a number of properties. These properties are subject to certain royalty interests and NSRs.

In May 2022, the Company entered into a Tenement Sale Agreement ("TSA") with Labrador Iron Pty Ltd. ("Labrador") whereby the Company will sell its 100% right, title and interest in the Schefferville Properties in exchange for:

- cash payment of AUS\$500,000 on closing (received);
- cash payment of AUS\$1,000,000 on or before May 12, 2023. In the event Labrador does not make this cash payment, Labrador must issue to the Company, for no consideration, that number of common shares of Labrador that is equal to 70% of the fully diluted issued and outstanding share capital of Labrador; and
- Labrador must incur at least AUS\$250,000 in eligible exploration expenses on the Schefferville Properties to keep the properties in good standing to March 31, 2023.

Should Labrador be acquired by an entity listed on a stock exchange ("Listco") prior to May 12, 2023, Listco must issue to the Company:

- That number of fully paid common shares in the capital of Listco that is equal to AUS\$500,000, divided by the 10-day VWAP of Listco's common shares as traded on the stock exchange prior to the closing date, to be issued within three business days of completion of the transaction with Listco; and
- That number of fully paid common shares in the capital of Listco that is equal to AUS\$500,000, divided by the 10-day VWAP of Listco's common shares as traded on the stock exchange prior to the closing date, to be issued upon the earlier of either:
 - 12 months from the date of completion of the transaction with Listco; or
 - upon definition of a JORC inferred resource on the Schefferville Properties of not less than 5 Billion tonnes containing iron ore at a grade not less than 28% within 12 months of the execution of the tenement sale agreement.

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5. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

Schefferville Properties (continued)

In April 2023, Labrador was acquired by Cyclone Metals Ltd, an entity listed on the stock exchange. As a result, in May 2023, Cyclone issued 400,000,000 common shares to the Company with a fair value of AUS\$800,000 to acquire a 100% interest in the Schefferville Properties. M3 and Cyclone mutually agreed that the sale was completed, and Cyclone was relieved of any further commitments as outlined in the TSA. During the nine months ended May 31, 2023, the Company recognized a \$724,400 gain (May 31, 2022 -\$nil) on recovery of exploration and evaluation assets related to the 400,000,000 common shares issued by Cyclone.

Aspen Gold Property

In July 2016, the Company entered into an agreement (later amended in October 2016) with a company controlled by an officer and director of the Company, to acquire a 90% interest in the Aspen Gold Property located in central British Columbia. Subsequently, the related party relinquished the remaining 10% interest of the property to the Company, which resulted the Company acquiring a 100% interest of the Aspen Gold Property. Under the terms of the amended agreement, the purchase price for the interest was \$100,000 (paid). In September 2020, the Company entered into a mineral property option agreement ("Aspen Option Agreement") with Big Rock Resources Inc. ("Big Rock"). Under the Aspen Option Agreement, Big Rock was granted the option to acquire a 100% right, title and interest in and to the Company's Aspen Gold Property in exchange for the payment to the Company of \$100,000 and the issuance of 3,000,000 Big Rock common shares to the Company. The Big Rock common shares were subsequently converted to 3,000,000 IMM common shares (Note 3). During the year ended August 31, 2021, the Company recorded a gain on sales of exploration and evaluation properties of \$711,165 in relation to the 3,000,000 IMM shares with a fair value of \$900,000 or \$0.30 per share. As at August 31, 2022, the Company terminated the Aspen Option Agreement due to failure to receive the \$100,000 option payment. As at May 31, 2023, the claims related to the Aspen Gold Property have expired.

Stars Property

In November 2017, the Company entered into two separate option agreements to acquire, by way of option, up to 80% of certain mining claims in the Omineca Mining Division located in north central British Columbia, approximately 40 kilometers south - southwest of Houston, BC (collectively, the "Stars Property"). The Company can earn a total of 80% interest in the Stars Property by fully exercising the options in the First Agreement and the Second Agreement as outlined below.

The first agreement (the "First Agreement") is with Pacific Empire Minerals Corp., an arm's length party which currently owns 50% of the Stars Property. As at June 5, 2021, the Company was unable to fulfill its obligation under the First Agreement and has forfeited the option, as a result, the Company recorded a write-off of exploration and evaluation properties of \$860,101 during the year ended August 31, 2021. The second agreement (the "Second Agreement") (amended in June 2020 and July 2021) is with Divitiae Resources Ltd., a non-arm's-length party owned by Adrian Smith, P. Geo, a director of the Company, which currently owns 50% of the Stars Property. Under the amended terms of the Second Agreement, the Company has the option to earn up to an additional 50% interest in the Stars Property by completing the following:

	Cash payment (\$)	Common shares
Upon TSX-V approval on June 5, 2018	(paid) 10,000	(issued) 2,000
On or before June 5, 2019	(paid) 20,000	(issued) 4,000
On or before June 5, 2020	-	(issued) 3,000
The earlier of: (i) on January 31, 2022; or (ii) the Company completing a financing for gross proceeds exceeding \$100,000	(paid) 50,000	-
On or before January 31, 2022	(paid) 50,000	(issued) 10,000
Total Requirement	130,000	19,000

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5. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

Stars Property (continued)

In December 2021, the Company completed the option in the Second Agreement and earned a 50% interest in the Stars Property. The Company then entered into a purchase and sale agreement with Aurwest and sold the 50% interest for a cash payment of \$450,000 and 1,500,000 common shares of Aurwest, and Aurwest granted the Company a 2% net smelter royalty (“NSR”). Aurwest may buy back 50% of the NSR at any time by making a \$1,000,000 payment. As a result of the sale, the Company recorded an additional write-off of exploration and evaluation properties of \$843,803 and reclassified the interest in the Stars Property to asset held for sale during the year ended August 31, 2021. During the year ended August 31, 2022, the Company received the full payment for the option which was applied against the asset held for sale.

Mohave Property

On September 21, 2019, the Company entered into an option agreements with DDS Resources LLC and Mohave Mine Partnership LLC (collectively, “Optionors”) to acquire, by way of option, up to 100% of certain mining claims in the Weaver mining district, Mohave County, Arizona, USA (collectively, the “Mohave Mine Gold Property”). Under the terms of the agreement, the Company has the option to earn up to a 100% interest in the Mohave Mine Gold Property by completing the following:

	Cash payment (US\$)		Expenditures (US\$)	
On or before October 1, 2019	(paid)	50,000		-
On or before March 31, 2021*	(paid by BMGUC)	75,000	(incurred)	50,000
On or before March 31, 2022*	(paid by BMGUC)	100,000	(incurred)	200,000
On or before April 14, 2023*		150,000		300,000
On or before March 31, 2024*		200,000		350,000
On or before March 31, 2025*		3,000,000		400,000
Total Requirement		3,575,000		1,300,000

*As part of the Definitive Agreement (defined below), Black Mountain Gold USA Corp. (“BMGUC”) is also responsible to keep the underlying option agreement between the Optionors and the Company in good standing by making the necessary cash payments and completing exploration expenditures requirement.

Upon the completion of all payments, the Company will grant a 1.5% NSR to the Optionors. In July 2020, and later amended, the Company entered into a mineral property option agreement (the “Definitive Agreement”) with BMGUC. Under the Definitive Agreement, BMGUC can earn up to a 90% interest in the Mohave Mine Gold Property by making payments and incurring exploration expenditures as follows:

	Cash Option payments (\$)		Expenditures (\$)	
On or before November 5, 2020	(received)	300,000		-
On or before May 4, 2022	(received)	150,000		-
On or before March 4, 2023*		250,000		-
On or before November 4, 2023		400,000		-
On or before November 4, 2024**		2,000,000		1,000,000
On or before November 4, 2025***		3,000,000		2,000,000
Total Requirement		6,100,000		3,000,000

* \$250,000 is due on the earlier of March 4, 2023 or five business days after the completion of (i) State and Federal approval of the Environmental Assessment (EA) Report filed by the Company; and (ii) approval of the Company’s exploration plan of operation including allowing road and drill pad construction to begin and planned drilling to be commenced.

**BMGUC has the option to pay \$2,000,000 cash or issue shares valued at the time of issuance of \$2,000,000 up to 50% of BMGUC’s outstanding shares to the Company.

***BMGUC has the option to pay \$3,000,000 cash or issue shares valued at the time of issuance of \$3,000,000 up to 50% of BMGUC’s outstanding shares to the Company.

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5. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

Mohave Property (continued)

During the year ended August 31, 2021, the Company recorded a gain on sales of exploration and evaluation properties of \$34,940 in relation to the \$300,000 option payment received. Additionally, BMGUC reimbursed \$226,216 to the Company and the reimbursement was considered towards its exploration expenditures requirements. During the year ended August 31, 2022, the Company recorded a gain on sales of exploration and evaluation properties of \$150,000 in relation to the \$150,000 option payment received.

On March 2, 2023, Millennial Potash Corp (formerly Black Mountain Gold USA Corp.) and the Company mutually agreed to terminate the definitive agreement dated July 4, 2020 and as amended in April and October 2022 between BMGUC and the Company with respect to the Mohave Mine Gold Property. BMGUC forfeited its right to earn a 90% interest in the Mohave Mine Gold Property. Subsequently in April 2023, the Company forfeited its right to acquire a 100% interest in the Mohave Mine Gold Property by terminating its agreement with DDS Resources LLC dated September 21, 2019.

G-South Property

On April 21, 2022, the Company entered into a mineral claims purchase and sale agreement to acquire 100% of the G-South property, located in the Central Cariboo Region of South Central British Columbia (the "G-South Property"). Under the terms of the agreement, the vendor is to receive a total of \$20,000 (paid) and 200,000 common shares of the Company (issued) with a fair value of \$140,000 as consideration for the purchase.

The Company will pay a 2% NSR to the vendor on commencement of commercial production which the Company will have the right, at any time prior to the commencement of commercial production, to purchase 50% of the NSR for \$1,000,000.

Great Texas Spring

In April 2023, the Company obtained the rights to 310 mining claims for a lithium project in the Elko County region of Nevada through staking. The claims cover an area of 6,032 acres and are held 100% by the Company. To date, the company has incurred \$132,937 in staking costs.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2023 \$	August 31, 2022 \$
Accounts payable	56,650	322,962
Accrued liabilities	45,550	93,550
	102,200	416,512

7. SHARE CAPITAL

Authorized share capital

Unlimited common shares without par value.

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7. SHARE CAPITAL (CONTINUED)

Issued share capital

During the nine months ended May 31, 2023:

- a) In September 2022, the Company consolidated its outstanding share capital on a ten-for-one basis. The share consolidation has been applied retrospectively and as a result all shares, options, warrants, and per share amounts are stated on an adjusted basis.
- b) In February 2023, the Company closed a private placement of 5,000,000 units at a price of \$0.24 per unit for gross proceeds of \$1,200,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable for two years at a price of \$0.32 per share.

During the year ended August 31, 2022:

- a) The Company issued 10,000 common shares of the Company with a fair value of \$9,000 in connection to the Second Agreement of the Stars Property (Note 5).
- b) The Company issued 200,000 common shares of the Company with a fair value of \$140,000 in connection to the purchase of the G-South Property (Note 5).

8. RESERVES

Stock options

The Company has a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company. Vesting and term of the option is determined by the board of directors in accordance with the Plan and the policies of the TSX-V.

A summary of stock option activities is as follows:

	Number of options #	Weighted average exercise price \$
Balance, August 31, 2021, and 2022	297,000	1.70
Granted	800,000	0.47
Cancelled	(297,000)	1.70
Balance, May 31, 2023	800,000	0.47

The weighted average life of the outstanding stock options is 4.91 years.

On December 1, 2022, 297,000 stock options with an expiry date of May 13, 2024 were cancelled. As a result, \$762,102 representing the value of the reserves, was reclassified from reserves to deficit.

In April 2023, the Company granted 800,000 stock options to various directors and consultant of the Company at an exercise price of \$0.47 per share for a period of five years, vested immediately. The options were valued at \$320,000 using the Black-Scholes pricing model with the following assumptions: estimated life of five years, risk-free rate of 2.98%, volatility of 149.44%, and nil forecasted dividend yield.

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8. RESERVES (CONTINUED)**Warrants**

In February 2023 5,000,000 share purchase warrants were issued in connection with the February Private Placement.

A summary of share purchase warrant activities is as follows:

	Number of warrants	Weighted average exercise price \$
Balance, August 31, 2021 and 2022	-	-
Issued	5,000,000	0.32
Balance, May 31, 2023	5,000,000	0.32

The weighted average life of the outstanding warrants is 1.69 years.

9. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

Summary of key management personnel compensation:

	For the nine months ended May 31,	
	2023 \$	2022 \$
Consulting and directors' fees	213,000	207,000
Share-based compensation	180,000	-
Total	393,000	207,000

In addition, the following amounts were incurred with respect to companies related by common officers and directors:

	For the nine months ended May 31,	
	2023 \$	2022 \$
Office and administration – Rent	13,350	13,100
Travel and related	1,000	1,300
Total	14,350	14,400

As at May 31, 2023, the Company has \$2,100 (August 31, 2022 - \$226,488) included in accounts payable and accrued liabilities due to officers, directors and companies controlled by officers and directors.

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10. CAPITAL MANAGEMENT

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As the Company's properties are in the exploration and evaluation stage, the Company is currently unable to self-finance its operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

The Company's share capital is not subject to any external restrictions. The Company did not change its approach to capital management during the nine months ended May 31, 2023.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, marketable securities and accounts payable and accrued liabilities. The fair value of these financial instruments, other than cash and marketable securities, approximates their carrying values due to the short-term nature of these instruments. Cash and marketable securities are measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) **Currency risk**

The Company conducts exploration and evaluation activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and US dollars. As at May 31, 2023 the Company had foreign currency net monetary financial assets of US\$42,904. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$5,800.

b) **Credit risk**

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and GST receivable is due from the Government of Canada. The Company's financial instrument related to the GST receivable is not exposed to significant credit risk.

c) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is no interest rate risk, as the Company has no interest bearing debt subject to floating interest rates.

d) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. As at May 31, 2023 the Company had a cash balance of \$830,958 to settle current liabilities of \$102,200. The liquidity risk is assessed as low.

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11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

e) Commodity price risk

The ability of the Company to explore and evaluate its exploration and evaluation properties and the future profitability of the Company are directly related to the price of gold. The Company monitors iron and gold prices to determine the appropriate course of action to be taken.

12. SEGMENTED INFORMATION

The Company has one operating segment, being the acquisition and exploration of exploration and evaluation properties. Geographic information is as follows:

	As at May 31, 2023		
	Canada	US	Total
	\$	\$	\$
Property and equipment	4,502	-	4,502
Exploration and evaluation properties	160,000	132,937	292,937
	164,502	132,937	297,439

	As at August 31, 2022		
	Canada	US	Total
	\$	\$	\$
Property and equipment	6,024	-	6,024
Exploration and evaluation properties	160,000	-	160,000
	166,024	-	166,024

13. SUBSEQUENT EVENTS

- a) In May 2023, the Company entered into a mineral property option agreement (the "Lakshmi Option Agreement") with IMEx Consultants ("IMEx") to acquire up to an eighty (80%) percent interest in the Lakshmi Property (the "Lakshmi Property") located in California.

To obtain a 60% interest in the Lakshmi Property, the Company must:

- Issue 2,000,000 shares to IMEx and pay a sum of USD\$150,000 upon regulatory approval of the Lakshmi Option Agreement; and
- Incur USD\$400,000 in exploration expenditures on the Lakshmi Property within twelve (12) months of regulatory approval of the Agreement.

The Company can acquire the additional twenty (20%) percent interest in the Laskshmi Property by issuing an additional 2,000,000 shares to the Vendor and incurring an additional USD\$2,000,000 in exploration expenditures on the Lakshmi Property within thirty-six (36) months of regulatory approval of the Lakshmi Option Agreement.

The Lakshmi Option Agreement is subject to the regulatory approval of the TSX Venture Exchange which has not been received as of the date of the approval of these financial statements.

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13. SUBSEQUENT EVENTS (CONTINUED)

- b) In July 2023, the Company entered into a mineral property option and joint venture agreement (the "Surge Agreement") with Surge Battery Metals Inc. ("Surge"). The Surge Agreement grants Surge to earn up to an 80% interest in the Great Texas Spring property by making the following payments to the company:
- i. to earn a 50% percent interest Surge must make a cash payment to the Company of \$500,000 and must issue to the Company a total of 2,000,000 of Surge's common shares;
 - ii. to earn an additional 20% percent interest in the M3M Lands, Surge must make a cash payment to the Company of \$250,000, issue to the Company a total of 2,000,000 of Surge's common shares and make \$250,000 in exploration expenditures; and
 - iii. to earn an additional 10% percent interest in the M3M Lands, Surge must make a cash payment to M3M of \$500,000 and issue to the Company a total of 1,000,000 of Surge's common shares.

The Surge Agreement is subject to the regulatory approval of the TSX Venture Exchange which has not been received as of the date of the approval of these financial statements.