
TRENCH METALS CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JULY 31, 2023 AND 2022
(IN CANADIAN DOLLARS)
(UNAUDITED - PREPARED BY MANAGEMENT)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim 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 standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

TRENCH METALS CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Prepared by Management)
(In Canadian Dollars)
As at,

	July 31, 2023	October 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 543,956	\$ 583,681
GST receivable	1,597	6,032
	545,553	589,713
Non-current assets		
Exploration and evaluation assets (note 3)	299,359	235,022
Total Assets	\$ 844,912	\$ 824,735
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 20,809	\$ 70,834
Due to related parties (note 6)	-	1,050
Total Liabilities	20,809	71,884
Shareholders' Equity		
Share capital (note 4)	5,031,636	4,820,512
Contributed surplus (note 4)	1,824,587	1,245,953
Deficit	(6,032,120)	(5,313,614)
Total Shareholders' Equity	824,103	752,851
Total Liabilities and Shareholders' Equity	\$ 844,912	\$ 824,735

Nature of business and going concern (Note 1)

Approved by the Board of Directors

Signed "Simon Cheng"
Director

Signed "Mark Ferguson"
Director

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

TRENCH METALS CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Prepared by Management)
(In Canadian Dollars)

	Three months ended July 31,		Nine months ended July 31,	
	2023	2022	2023	2022
Expenses				
Listing and filing fees	\$ 346	\$ 1,682	\$ 11,855	\$ 11,102
Management and consulting fees (note 6)	15,400	4,200	26,200	70,294
Office and general	402	4,061	3,583	4,769
Professional fees (note 6)	12,178	14,319	24,110	39,202
Shareholder information	750	1,564	1,000	8,624
Share-based compensation	651,758	-	651,758	-
Loss and comprehensive loss	\$ (680,834)	\$ (25,826)	\$ (718,506)	\$ (133,991)
Weighted average number of common shares outstanding – basic and diluted	48,937,735	40,753,409	48,949,512	40,486,435
Basic and fully diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)

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

TRENCH METALS CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)
(in Canadian Dollars)

	Number of shares	Share capital	Warrants	Contributed surplus	Deficit	Total
Balance – October 31, 2021	40,350,735	\$ 4,025,202	\$ 446,504	\$ 993,669	\$ (5,018,615)	\$ 446,760
Warrants exercised	4,442,000	411,409	(100,469)	-	-	310,940
Net loss for the period	-	-	-	-	(133,991)	(133,991)
Balance – July 31, 2022	44,792,735	\$ 4,436,611	\$ 346,035	\$ 993,669	\$ (5,152,606)	\$ 623,709
Balance – October 31, 2022	48,937,735	\$ 4,820,512	\$ -	\$ 1,245,953	\$ (5,313,614)	\$ 752,851
Stock options exercised	460,000	211,124	-	(73,124)	-	138,000
Share-based compensation	-	-	-	651,758	-	651,758
Net loss for the period	-	-	-	-	(718,506)	(718,506)
Balance – July 31, 2023	49,397,735	\$ 5,031,636	\$ -	\$ 1,824,587	\$ (6,032,120)	\$ 824,103

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

TRENCH METALS CORP.
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(Unaudited - Prepared by Management)
(in Canadian Dollars)
For the nine months ended July 31 ,2023 and 2022

	2023	2022
Cash used in operating activities		
Net loss	\$ (718,506)	\$ (133,991)
Items not involving cash:		
Share-based compensation	651,758	-
Add (deduct) non-cash items		
Changes in non-cash working capital:		
GST receivable	4,435	(1,026)
Prepays	-	57,694
Accounts payable and accrued liabilities	(50,025)	4,649
Due to related parties	(1,050)	2,500
	(113,388)	(70,174)
Cash used in investing activities		
Exploration advance	-	(50,000)
Exploration and evaluation assets	(64,337)	(71,155)
	(64,337)	(121,155)
Cash provided by financing activities		
Warrants exercised	-	310,940
Stock options exercised	138,000	-
	138,000	310,940
Change in cash and cash equivalents	(39,725)	119,611
Cash and cash equivalents, beginning	583,681	244,394
Cash and cash equivalents, end	\$ 543,956	\$ 364,005

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the period ended July, 2023.

- \$73,124 was transferred to share capital for 460,000 stock options exercised

During the period ended July 31, 2022:

- \$100,469 was transferred to share capital for 4,442,000 warrants exercised; and
- \$2,723 of exploration and evaluation assets are included in accounts payable

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

TRENCH METALS CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Prepared by the management)
(In Canadian Dollars)
As at July 31, 2023 and 2022

1. NATURE OF BUSINESS

Nature of Business

Trench Metals Corp. (the "Company") was incorporated under the Business Corporations Act (Alberta) on July 31, 2012. Effective November 4, 2020, the Company changed its business to a Tier 2 Mining Issuer and its name to Trench Metals Corp. from Trench Solutions Inc. and completed the continuation under the Business Corporations Act (British Columbia).

The Company is a publicly traded company with registered office of 2200 - 885 West Georgia Street, Vancouver, BC, V6C 3E8 and head office of 250 - 750 West Pender Street, Vancouver, BC, V6C 2T7. The Company's common shares are listed on the TSX Venture Exchange ("TSXV" or the "Exchange") under the symbol TMC and are also listed on the OTCQB under the symbol NVTQF.

These condensed interim financial statements were approved by the Board of Directors on August 14, 2023.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. As at July 31, 2023, the Company has an accumulated deficit of \$6,032,120 and has generated negative cash flows from operations to date. All of these matters and conditions indicate the existence of a material uncertainty that may raise significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing and successfully generating positive cash flows from profitable operations.

These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements. Management's plans to meet the Company's current and future obligations are to raise equity capital through prospectus and private placements, rely on the financial support of its shareholders and parties related to the current shareholders, generate revenue from sales as well as explore other forms of financing that may be available to the Company.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies and methods as were used for the Company's annual financial statements for the year ended October 31, 2022. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended October 31, 2022.

Statement of compliance

These condensed interim financial statements including the comparatives have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

Functional and presentation currency

The functional and presentation currency of the Company is Canadian dollars.

Significant accounting judgements and estimates

The preparation of these financial statements 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 reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key sources of these uncertainties that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are discussed below:

The Company measures the cost of non-cash stock-based compensation transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for non-cash stock-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, risk free interest rate, forfeiture rate, volatility and dividend yield of the share option. The Company measures the cost of non-cash stock-based compensation transactions with consultants by reference to the fair value of the services to be performed.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments and estimates (continued from previous page)

Management has determined that exploration, evaluation and related costs incurred which were 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, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

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

A provision for warranties is recognized when the underlying products are sold. The amount recognized is the best estimate of the costs to be incurred during the warranty period based on historical warranty data and management estimate.

3. EXPLORATION AND EVALUATION ASSETS

	Gorilla Lake, SK, Canada	Higginson Lake, SK, Canada	Total
Balance, October 31, 2021	\$ 105,362	\$ 50,000	\$ 155,362
Acquisition costs	-	77,154	77,154
Exploration Costs:			
Consulting and professional	9,419	107,868	117,287
	114,781	235,022	349,803
Impairment	(114,781)	-	(114,781)
Balance, October 31, 2022	-	235,022	235,022
Acquisition costs	-	50,000	50,000
Exploration Costs:			
Consulting and professional	-	14,337	14,337
Balance, July 31, 2023	\$ -	\$ 299,359	\$ 299,359

Gorilla Lake Property

On August 13, 2020, the Company entered into a definitive property option agreement with an arm's length party, pursuant to which the Company was granted the right to acquire a 100% interest on the Gorilla Project, in consideration for a series of cash payments to the optionor and the incurrence of exploration expenditures over a period of 3 years. During the year ended October 31, 2022, the Company determined to no longer pursue exploration activities on the Gorilla Lake Property and accordingly wrote-down \$114,781 of exploration and evaluation costs.

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3. EXPLORATION AND EVALUATION ASSETS (continued)

Higginson Lake Property

On October 14, 2021, the Company entered into a definitive property option agreement with an arm's length party, pursuant to which the Company will be granted the right to acquire a 100% interest on the Higginson Lake project, in consideration for a series of cash payments to the optionor and the incurrence of exploration expenditures over a period of 2 years as follows:

- a cash payment of \$50,000 upon signing the agreement (paid), and of \$100,000, after the six months of signing the agreement (amended below);
- a further cash payment of \$200,000, twelve months after the signing of the agreement.
- incurring exploration expenditures of \$85,000 on the Higginson Lake Project on or before the first anniversary and of \$115,000 on or before the second anniversary;

Following exercise of the Option, the Optionee will pay a 1% Net Smelter Royalty to the Optionor upon Commencement of Commercial Production. The Optionee will have the right to purchase from the Optionor the 1% Net Smelter Royalty, at a cost of \$1,000,000.

On May 3, 2022, the Company entered into an amended option agreement, whereas the consideration is as follows:

- a cash payment of \$50,000 upon signing the agreement (paid), and of \$50,000, after the six months of signing the agreement (paid);
- further cash payments of \$25,000 each on or before October 14, 2022 (paid), January 14, 2023 (paid), April 14, 2023 (paid) and July 14, 2023 (not paid – the Company is in negotiations to amend the option agreement) respectively;
- a cash payment of \$100,000 on or before October 14, 2023 and \$200,000 on or before April 2024; and
- incurring exploration expenditures of \$100,000 on the project on or before October 14, 2022 (incurred) and \$100,000 on or before October 14, 2023.

Spreckley Lake Uranium Project

On July 23, 2023, the Company entered into a property option agreement to acquire the Spreckley Lake Uranium Project in northern Saskatchewan.

Pursuant to the terms of the option, the Company is entitled to acquire the project in consideration for completion of a series of cash payments totaling \$250,000 to the arm's length owner (the "Vendor"), of which \$20,000 was paid subsequent to July 31, 2023, and incurring \$150,000 of exploration expenditures on the project over a three-year period. Following exercise of the option, the Company will grant a 1% net smelter return royalty to the Vendor, which may be acquired back from the Vendor at any time in consideration of a cash payment of \$1,000,000.

4. SHARE CAPITAL

(a) Capital

Authorized: unlimited Class A common shares

As at July 31, 2023, the Company had 49,397,735 shares issued and outstanding.

During the period ended July 31, 2023, 460,000 stock options were exercised for proceeds of \$138,000 and \$73,124 was transferred to share capital from contributed surplus.

During the year ended October 31, 2022, 8,587,000 warrants were exercised for proceeds of \$601,090 and \$194,220 was transferred to share capital from warrants reserve.

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(Unaudited - Prepared by the management)
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4. SHARE CAPITAL (continued)

(b) Stock option plan

The Company adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSXV requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Class A Common Shares, provided that the number of Class A Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Class A Common Shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price \$
Balance, October 31, 2022	-	-
Granted	4,100,000	0.30
Exercised	(460,000)	0.30
Balance, July 31, 2023	3,640,000	0.30
Exercisable at July 31, 2023	3,640,000	0.30

As at July 31, 2023, the following options were outstanding:

Number of options outstanding	Exercise price \$	Expiry date
1,450,000	0.30	June 29, 2024
2,190,000	0.30	July 10, 2024*
<u>3,640,000</u>		

*Subsequent to July 31, 2023, 354,000 stock options were exercised for proceeds of \$106,200.

During the period ended July 31, 2023, the Company granted 4,100,000 stock options with a fair market value of \$651,758 or \$0.16 per option which was charged to operations. The following weighted average assumptions were used for the Black-Scholes valuation of the stock options assuming no expected dividends or forfeitures:

	Period ended July 31, 2023	Year ended October 31, 2022
Risk-free interest rate	3.78%	-
Expected life (in years)	1	-
Expected volatility	141.56%	-

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(In Canadian Dollars)
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4. SHARE CAPITAL (continued)

(c) Warrants

A summary of the Company's warrant activity is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)	Total (\$)
Outstanding October 31, 2021	19,723,500	0.07	446,504
Exercised	(8,587,000)	0.07	(194,220)
Expired/cancelled	(11,136,500)	0.07	(252,284)
Outstanding October 31, 2022 and July 31, 2023	-	-	-

5. FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Instruments and Fair Value Measurements

IFRS 13 – Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position are as follows:

	Fair Value Measurements Using				Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
July 31, 2023:					
Cash and cash equivalents	\$ 543,956	\$ -	\$ -	\$ -	\$ 543,956
October 31, 2022:					
Cash and cash equivalents	\$ 583,681	\$ -	\$ -	\$ -	\$ 583,681

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Prepared by the management)
(In Canadian Dollars)
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5. FINANCIAL INSTRUMENTS AND RISK FACTORS (continued)

The Company's risk exposure and the impact on its financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment/contractual obligations. The Company has deposited the cash with reputable Canadian financial institutions, from which management believes the risk of loss is minimized. The Company continuously evaluates that financial condition and credit worthiness of all customers and potential customers in order to mitigate such risk. In the event that losses do occur, all impairments are recognized in income or loss.

Liquidity Risk

Liquidity risk management involves maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit lines. The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities when due. As at July 31, 2023, the Company has current assets of \$545,553 (October 31, 2022 - \$589,713) to settle current financial liabilities of \$20,809 (October 31, 2022 - \$71,884). Accounts payable generally have contractual maturities of 30 days and they are all current.

Interest Rate Risk

The Company's current policy is to invest excess cash in short term guaranteed investment certificates issued by its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of its banks. The risk the Company will realize a loss as a result of a decline in the fair value of short-term deposits is limited due to the short-term nature of these investments.

Foreign Exchange Risk

The Company raises its capital in Canadian dollars. The Company holds its cash mainly in Canadian dollars. The Company minimizes its exposure to foreign currency risk by minimizing the amount of funds in currencies other than the Canadian dollar. The Company does not undertake currency hedging activities. The Company continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

6. RELATED PARTY TRANSACTIONS

The remuneration expense of directors and other members of key management personnel, or companies under their control, during the period was as follows:

	2023	2022
Professional fees	\$ 9,000	\$ 9,000
Consulting fees	\$ 12,600	\$ 12,600
	\$ 21,600	\$ 21,600

As at July 31, 2023, the Company owed \$Nil (October 31, 2022 - \$1,050) to a director of the Company.

7. GEOGRAPHICAL SEGMENTED INFORMATION

All assets and liabilities of the Company are in Canada which is the geographical segment the Company operates in.