



QC COPPER & GOLD

QC Copper and Gold Inc.

Condensed Interim Financial Statements

For the three and nine months ended July 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

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 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 an audit or review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants.

QC COPPER AND GOLD INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

<i>As at</i>	Notes	July 31, 2023	October 31, 2022
ASSETS			
Current			
Cash		\$5,747,673	\$8,855,598
Accounts receivable		2,362,121	1,239,647
Investments	6	4,227,491	6,535,715
Due from related party	9	254,551	62,341
Prepaid expenses		177,612	103,575
Total current assets		12,819,448	16,796,876
Property, plant and equipment		32,173	40,503
TOTAL ASSETS		\$12,851,621	\$16,837,379
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$138,431	\$318,659
Due to related party	9	12,571	-
TOTAL LIABILITIES		151,002	318,659
SHAREHOLDERS' EQUITY			
Share capital	8	19,939,761	17,211,285
Reserves	8	2,73,793	2,659,304
(Deficit) Retained Earnings		(9,972,935)	(3,351,869)
TOTAL SHAREHOLDERS' EQUITY		12,700,619	16,518,720
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$12,851,621	\$16,837,379

Nature of operations (Note 1)

Going concern (Note 2)

Commitments and contingencies (Note 10)

Approved on behalf of the Directors:

"Alex Stewart"

Alex Stewart – Director

"Stephen Stewart"

Stephen Stewart – Director

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

QC COPPER AND GOLD INC.**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Expressed in Canadian dollars)

	Notes	Three Months Ended July 31,		Nine Months Ended July 31,	
		2023	2022	2023	2022
EXPENSES					
Amortization		\$2,778	\$4,905	\$8,330	\$14,715
Share-based payments	8	-	(18,414)	9,677	908,819
Consulting, wages and management fees	9	119,663	106,167	354,375	298,016
Exploration expense	5	2,115,013	4,545,903	3,590,169	7,683,716
Office, rent and general		(42,553)	(31,508)	(135,690)	(22,003)
Professional fees		71,615	170,540	140,581	324,701
Transfer agent, filing fees and shareholder communications		45,339	89,273	130,746	240,999
Travel and related costs		5,782	23,550	21,869	44,674
Equity loss on investment in associate		-	188,213	-	1,983,753
Gain on dilution of investment in associate		-	(29,989)	-	(1,332,001)
Unrealized loss on marketable securities	6	604,384	-	2,501,003	-
TOTAL EXPENSES		\$2,922,021	\$5,048,640	\$6,621,066	\$10,145,389
Loss from operations for the period		2,922,021	5,048,640	6,621,066	10,145,389
Deferred income tax recovery					
Flow-through share premium liability renunciation		-	1,057,235	-	2,191,228
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		\$2,992,021	\$3,991,405	\$6,621,066	\$7,954,161
Weighted average number of shares – basic and diluted		167,605,638	148,188,783	157,310,486	147,768,046
Loss per share – basic and diluted		\$(0.02)	\$(0.03)	\$(0.04)	\$(0.05)

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

QC COPPER AND GOLD INC.**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited - Expressed in Canadian dollars)

	Number of shares	Amount	Share to be issued	Share-based payments reserve	Accumulated Deficit	Total Equity
Balance at October 31, 2021	134,355,655	\$14,405,914	\$371,667	\$1,840,294	\$554,519	\$17,172,394
Loss for the period	-	-	-	-	(7,954,161)	(7,954,161)
Shares issued for exploration property	2,650,000	525,000	-	-	-	525,000
Warrants exercised	11,332,132	1,928,330	(371,667)	(370,151)	-	1,186,511
Warrants issued for exploration and evaluation expenses	-	-	-	289,111	-	289,111
Stock options exercised	1,050,000	119,900	-	(46,900)	-	73,000
Share-based payments	-	-	-	908,819	-	908,819
Balance at July 31, 2022	149,387,787	16,979,144	-	2,621,172	(7,399,642)	12,200,674
Balance at October 31, 2022	150,735,960	\$17,211,285	\$	\$2,659,304	\$(3,351,869)	\$16,518,720
Loss for the period	-	-	-	-	(6,621,066)	\$(6,621,066)
Shares and warrants issued for exploration property	4,000,000	645,000	-	223,007	-	868,007
Warrants exercised	3,601,666	389,572	-	(56,475)	-	313,097
Stock options exercises	3,324,160	106,719	-	(101,719)	-	5,000
Shares issued on hard-dollar private placement	11,999,570	1,607,185	-	-	-	1,607,185
Share-based compensation	-	-	-	9,677	-	\$9,677
Balance at July 31, 2023	173,661,356	\$19,939,761	-	\$2,733,793	\$(9,972,935)	\$12,700,619

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

QC COPPER AND GOLD INC.
INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

<i>For the periods ended</i>	July 31, 2023	July 31, 2022
Operating activities		
(Loss) for the period	\$(6,621,066)	\$(7,954,161)
Items not involving cash:		
Amortization	8,330	14,715
Flow-through share premium renunciation	-	(2,191,228)
Share-based payments	9,677	908,819
Shares and warrants issued for exploration expenses	868,007	814,111
Equity loss on investment in associate	-	1,983,753
Gain on dilution of investment in associate	-	(1,332,001)
Unrealized loss/(gain) on marketable securities	2,360,073	-
Changes in non-cash working capital items		
Prepaid expenses	(74,037)	71,688
Accounts receivable	(1,122,474)	(432,831)
Accounts payable and accrued liabilities	(183,157)	(491,040)
Taxes payable	-	(30,000)
Net cash used in operating activities	\$(4,754,647)	\$(8,638,175)
Investing activities		
Purchase of property, plant and equipment	-	(27,499)
Investment	(98,920)	-
Advances to related parties	(179,639)	(45,608)
Net cash used in investing activities	\$(278,559)	\$(73,107)
Financing activities		
Proceeds on exercise of warrants	313,097	1,186,511
Issuance of common shares and warrants, net	1,607,185	-
Proceeds on exercise of stock options	5,000	73,000
Net cash provided by financing activities	\$1,925,281	\$1,259,511
Net increase in cash	(3,107,925)	(7,451,771)
Cash, beginning of period	8,855,598	17,508,624
Cash, end of period	\$5,747,673	\$10,056,853

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

QC Copper and Gold Inc.

Notes to the Financial Statements

For the periods ended July 31, 2023, and 2022

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

QC Copper and Gold Inc. ("QC Copper" or "Company"), was incorporated under the Business Corporations Act (British Columbia) on February 1, 2018, originally as a wholly owned subsidiary of Orefinders Resources Inc. ("Orefinders"). Its principal business activity is the exploration, development and production of exploration and evaluation assets in Canada.

The head and principal office of the Company is located at 55 University Avenue, Suite 1805, Toronto, Ontario, M5J 2H7.

2. GOING CONCERN

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts expended on mineral properties is dependent upon future profitable production or proceeds from the disposition of properties.

The business of mining and exploration involves a high degree of risk and there can be no assurance that the Company's exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its properties, making the required payments pursuant to mineral property option agreements and/or securing additional financing; all of which are uncertain.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, aboriginal land 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, currency exchange fluctuations and restrictions, and political uncertainty.

The Company raised funds during the period ended July 31, 2023 and will utilize these funds for its exploration programs and working capital requirements. The Company has not raised funds during the year ended October 31, 2022. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

Management believes the Company has sufficient funds or access to sufficient funds to cover planned operations throughout the next twelve-month period. However, management plans on securing additional financing through the issue of new equity, among other things. Nevertheless, there is no assurance that these initiatives will be successful. These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these financial statements. Such adjustments could be material.

As at July 31, 2023 the Company had working capital of \$12,668,446 (2022 - \$16,478,217) and accumulated retained losses of \$9,972,935 (2022 – retained losses \$3,351,869). The Company has no proven history of performance or success.

QC Copper and Gold Inc.

Notes to the Financial Statements

For the periods ended July 31, 2023, and 2022

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

a) Statement of compliance and basis of measurement

These unaudited condensed interim financial statements (“interim financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part I of the CPA Canada Handbook – Accounting, as applicable to the preparation of interim financial statements, including International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”). These interim financial statements should be read in conjunction with the October 31, 2021 annual financial statements. These interim financial statements were authorized for issuance by the Audit Committee on behalf of the Board of Directors on September 29, 2023.

These interim financial statements follow the same accounting principles and methods of application as disclosed in the financial statements as at and for the year ended October 31, 2022. The interim financial statements may condense or omit certain disclosures that otherwise would be present in annual financial statements prepared in accordance with IFRS.

b) Significant accounting judgments and sources of estimation uncertainty

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

Management uses its best estimates for these purposes, based on assumptions that it believes reflect the most probable set of economic conditions and planned courses of action. However, actual results could differ materially from these estimates.

The significant areas of estimation and uncertainty considered by management in preparing the condensed interim financial statements are the same as those described in the Company’s annual financial statements for the year ended October 31, 2022.

c) Significant accounting policies

The Company’s accounting policies applied to all periods presented in these Financial Statements are the same as those applied by the Company in its annual financial statements as at and for the year ended October 31, 2022, except as detailed in note 4.

4. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

At the date of authorization of these interim financial statements, the IASB has issued new and revised Standards and Interpretations which are not yet effective for the relevant reporting period. Many are not applicable or do not have a significant impact on the Company. Management is currently evaluating the impact of these pronouncements on the Company’s interim financial statements.

QC Copper and Gold Inc.

Notes to the Financial Statements

For the periods ended July 31, 2023, and 2022

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION EXPENDITURES

The following are details of the Company's exploration and evaluation expenditures:

	Three months ended July 31,		Nine months ended July 31,		Accumulated From Property Inception
	2023	2022	2023	2022	
Cooke-Robitaille Property, Quebec	141,338	77,013	287,216	221,561	1,213,209
Scott Property, Quebec	234	47,614	745	97,139	126,764
Opemiska Property, Quebec*	1,973,441	4,421,166	3,217,208	7,364,906	16,204,442
Roger Property, Quebec	-	110	-	110	1,250,404
Windfall Project	-	-	85,000	-	85,000
	\$2,115,013	\$4,545,903	\$3,590,169	\$7,683,716	\$18,879,819

*The Cooke-Robitaille Property, Scott Property and Opemiska Property expenditures are net of \$113,000, \$395 and \$963,451, respectively, (2022 – nil, nil and nil) in accrued tax credits receivable from the government of Quebec related to exploration activities. Tax credits are recorded at their estimated recoverable amount based on interpretation of eligibility by the Company and remain subject to government audits of such interpretations and amounts.

Opemiska Property, Quebec

As at July 31, 2023, the Company owned a 100% interest in the Opemiska Copper Complex, after completing all obligations under its agreement with Explorateurs-Innovateurs De Quebec Inc. ("Ex-In") with the effective dated May 23, 2019. Its terms were as follows:

	Cash Payment (\$)	Work (\$)	Shares	Warrants	Warrant Exercise Price (\$/share)
November 23, 2019	\$50,000 ✓	-	1,500,000 ✓	1,500,000 ✓	\$0.20
May 23, 2021	\$150,000 ✓	\$500,000 ✓	1,500,000 ✓	1,500,000 ✓	\$0.25
May 23, 2022	\$300,000 ✓	\$1,000,000 ✓	2,000,000 ✓	2,000,000 ✓	\$0.30
May 23, 2023	\$1,000,000 ✓	\$1,500,000 ✓	3,000,000 ✓	3,000,000 ✓	\$0.35
Total	\$1,500,000 ✓	\$3,000,000 ✓	8,000,000 ✓	8,000,000 ✓	-

✓ Completed. Cash payment made, work obligation complete, shares issues or warrants issued.

The Opemiska Copper Complex is subject to a 2% NSR, 50% of which can be re-purchased by the Company at a cost of \$4.5 million. At any time, the Company can accelerate its obligations to exercise 100% ownership of Opemiska Copper Complex at an earlier date. Subject to certain adjustments in the case of accelerated issuance, all warrants to be issued to Ex-In will expire 36 months after their date of issuance. If the Company files a positive feasibility study, it will be required to pay advance royalty payments of \$250,000 per year.

Cooke Robitaille Property Option, Quebec

On July 13, 2020, the Company closed an option agreement to acquire the Cooke Robitaille property. The cash, work and share commitments to keep the option in good standing are as follows:

QC Copper and Gold Inc.

Notes to the Financial Statements

For the periods ended July 31, 2023, and 2022

(Expressed in Canadian dollars)

	Cash Payment (\$)	Work (\$)	Shares	Warrants	Warrant Exercise Price (\$/share)
July 13, 2020	-	-	500,000 ✓	500,000 ✓	\$0.10
July 13, 2021	\$50,000 ✓	\$300,000 ✓	500,000 ✓	500,000 ✓	\$0.15
July 13, 2022	\$50,000 ✓	\$400,000 ✓	500,000 ✓	500,000 ✓	\$0.20
July 13, 2023	\$50,000 ✓	\$400,000 ✓	500,000 ✓	500,000 ✓	\$0.25
July 13, 2024	\$100,000	\$400,000	500,000	-	-
July 13, 2025	\$200,000	\$1,500,000	500,000	-	-
Total	\$450,000	\$3,000,000	3,000,000	2,000,000	-

✓ Completed. Cash payment made, work obligation complete, shares issues or warrants issued.

In addition, the vendor will retain a 2% NSR royalty. The Company will retain a first right of refusal to purchase a 1 % NSR (50% of the vendor's NSR) at any time prior to commercial production for \$1,500,000.

All commitments are in good standing.

Roger Gold-Copper Property

On May 14, 2021, the Company closed the acquisition of a 50% interest in the Roger Gold-Property from Pasofino Gold Ltd. ("Pasofino"). The other 50% interest remains with SOQUEM, a subsidiary of Investissement Québec. Under the terms of the agreement, the Company paid Pasofino \$1,000,000 in cash and issued 1,150,000 common shares at a value of \$0.21 per share or \$241,500. A further 4,350,000 shares of the Company (the "Contingent Shares") may be issued to Pasofino if, within six months, a new NI 43-101 technical report is produced on the Roger Project with such report having a resource calculation equal to or greater than both the aggregate gold equivalent ounces or gold only ounces referred to in the Technical Report dated October 9, 2018 and titled "NI 43-101 Technical Evaluation Report on the Roger Property".

6. INVESTMENTS

Based on the quoted market price at July 31, 2023, the fair value of the Company's interest in their Investments was \$4,277,491 (October 31, 2022 - \$6,535,715). An unrealized loss of \$463,448 and \$2,360,073 was recognized in the statement of loss for the three and nine months ended July 31, 2023, respectively (July 31, 2022 – \$Nil).

7. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Fair value of financial instruments

The fair value of financial instruments approximates their carrying value due to the short-term maturity of these instruments. As of July 31, 2023, the Company's investments are classified as Level I and Level III financial instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Amounts receivable are due from the Government of Canada and the Company believes the risk of loss related to these is remote. The Company's exposure to credit risk is on its cash held in bank accounts. Cash is held with major banks in Canada. Management assesses credit risk of cash as remote.

QC Copper and Gold Inc.

Notes to the Financial Statements

For the periods ended July 31, 2023, and 2022

(Expressed in Canadian dollars)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company strives to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. In the long-term, the Company may have to issue additional equity to ensure there is sufficient capital to meet long-term objectives.

Market risk

Market risk incorporates a range of risks. Movements in risk factors, such as interest rate risk, currency risk, market price risk, and commodity price risk, affect the fair value of financial assets and liabilities.

Currency and interest rate risk

The Company is not exposed to any significant foreign exchange risk or interest rate risk.

Market price risk

The prices of metals and minerals fluctuate widely and are affected by many factors outside of the Company's control. The prices of metals and minerals and future expectation of such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies. This in turn may impact the Company's ability to raise equity financing for its long-term working capital requirements.

The Company was also exposed to market risk relating to its investment in marketable securities and unfavourable market conditions could result in dispositions of marketable securities at less than favourable prices. The Company's marketable securities were comprised of investments in publicly traded corporations.

Commodity price risk

The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for this mineral. Adverse changes in the price of gold can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Based on management's knowledge and experience of the financial markets, the Company believes that movements at $\pm 10\%$ are "reasonably possible" over a one-year period:

- (i) The Company does not hold significant balances in foreign currencies to give rise to significant exposure to foreign exchange risk.
- (ii) Price risk is remote since the Company is a non-producing entity.
- (iii) The Company's marketable securities are subject to fair value fluctuations. As at July 31, 2023, if the fair value of the marketable securities fluctuated by 10% all other factors held constant, net loss would have changed by approximately \$430,000 (October 31, 2022 - \$650,000).

The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. The carrying value of the Company's financial instruments approximates fair value due to their short-term or demand nature.

QC Copper and Gold Inc.

Notes to the Financial Statements

For the periods ended July 31, 2023, and 2022

(Expressed in Canadian dollars)

Classification of financial instruments

Financial assets and liabilities included in the statement of financial position are as follows:

	July 31, 2023	October 31, 2022
Financial assets at amortized costs:		
Cash	\$5,747,673	\$8,855,598
Due from related party	254,551	62,341
Financial assets at amortized costs:		
Investments	4,277,491	6,535,715
	\$10,279,715	\$15,453,654
	July 31, 2023	October 31, 2022
Financial liabilities at amortized costs:		
Accounts payable and accrued liabilities	\$138,431	\$318,659
Due to related party	12,571	-
	\$151,002	\$318,659

8. SHARE CAPITAL***Authorized share capital***

Unlimited number of voting common shares without par value.

Shares issued

On April 20, 2023 the Company closed a non-brokered private placement for the Opemiska Copper Project in Chapais, Quebec for 11,999,570 common shares at \$0.14 per share for gross proceeds of \$1,679,940. Costs associated with the financing were \$72,755.

On June 8, 2023 the Company issued 3,000,000 common shares in connection with its Opemiska Copper Project in Chapais, Quebec. The shares were valued at \$0.16 per share, for a gross value of \$480,000.

On July 13, 2023 the Company issued 500,000 common shares in connection with its Cooke Robitaille Property Option, Quebec. The shares were valued at \$0.16 per share, for a gross value of \$79,200.

During the period ended July 31, 2023, the Company issued 3,601,666 common shares in connection with the exercise of 3,601,666 warrants for gross proceeds of \$318,467.

During the period ended July 31, 2023, the Company issued 3,324,160 common shares in connection with the exercise of 4,900,000 stock options for gross proceeds of \$5,000. 4,800,000 of the 4,900,000 stock options were exercised on a net exercise basis which reduced the number of common shares issued from 4,800,000 to 3,224,160.

QC Copper and Gold Inc.

Notes to the Financial Statements

For the periods ended July 31, 2023, and 2022

(Expressed in Canadian dollars)

Stock options

A summary of the changes in the Company's stock options is set out below:

<i>For the period and year ended</i>	July 31, 2023			October 31, 2022		
	Number of options	Weighted average exercise price	Weighted average life (years)	Number of options	Weighted average exercise price	Weighted average life (years)
Outstanding, beginning of period	12,750,000	\$0.15	2.18	10,175,000	\$0.09	2.41
Granted	-	-	-	3,935,000	0.33	5.00
Cancelled/Forfeited	-	-	-	(310,000)	0.34	4.50
Expired	(350,000)	0.05	-	-	-	-
Exercised	(4,900,000)	0.05	-	(1,050,000)	(0.07)	(2.44)
Options outstanding, end of period	7,500,000	\$ 0.22	3.74	12,750,000	0.15	2.20
Options exercisable, end of period	7,500,000	\$0.22	3.74	12,650,000	\$0.15	2.18

The weighted average share price at the time of option exercises was \$0.22.

On December 20, 2021, the Company granted 3,525,000 stock options with an exercise price of \$0.34 and a term of five years with 3,425,000 of these options vesting immediately, and the remaining 100,000 vesting in 12 months. The fair value of \$853,413 was estimated using the Black-Scholes option pricing model assuming an expected life of 5 years, share price of \$0.30, a risk-free interest rate of 1.32%, dividend yield of \$nil and an expected volatility of 133% based on historical company share data. The granting of these options resulted in a share-based payment expense of nil during the three and nine-month periods ended July 31, 2023.

On April 2, 2022, the Company granted 410,000 stock options with an exercise price of \$0.28 and a term of five years with 310,000 of these options vesting immediately, and the remaining 100,000 vesting in 12 months. The fair value of \$95,077 was estimated using the Black-Scholes option pricing model assuming an expected life of 5 years, share price of \$0.27, a risk-free interest rate of 2.46%, dividend yield of \$nil and an expected volatility of 130% based on historical company share data. The granting of these options resulted in a share-based payment expense of \$nil during the three and nine-month period ended July 31, 2023.

The following incentive stock options were outstanding and exercisable at July 31, 2023:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
1,375,000	1,375,000	\$0.10	08-Jul-24
1,900,000	1,900,000	\$0.08	25-Aug-25
500,000	500,000	\$0.23	09-Mar-26
3,325,000	3,325,000	\$0.34	20-Dec-26
400,000	400,000	\$0.28	01-Apr-27
7,500,000	7,500,000	\$0.22	

In August 2023, the Company issued 3,950,000 stock options with an exercise price of \$0.18, a life of 5 years and vest one year from the grant date.

QC Copper and Gold Inc.

Notes to the Financial Statements

For the periods ended July 31, 2023, and 2022

(Expressed in Canadian dollars)

Warrants

A summary of the changes in the Company's warrants is set out below:

<i>For the period and year ended</i>	July 31, 2023			October 31, 2022		
	Number of warrants	Weighted average exercise price	Weighted average life (years)	Number of warrants	Weighted average exercise price	Weighted average life (years)
Outstanding, beginning of period	21,286,89	\$0.18	1.12	34,989,688	\$0.15	1.12
Issued for exploration expenses	4,000,000	0.31	3.38	2,500,000	0.28	2.80
Exercised	(6,925,826)	-	-	(12,680,305)	(0.15)	0.50
Expired	(10,366,063)	-	-	(3,522,494)	(0.10)	-
Outstanding, end of period	7,995,000	\$0.29	3.11	21,286,889	\$0.18	0.55

As at July 31, 2023, the Company had received \$273,967 (October 31, 2022 - \$Nil) cash for the exercise of 3,126,666 warrants.

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

Number of warrants outstanding	Exercise Price	Expiry Date
1,500,000	0.25	20-May-24
500,000	0.20	12-Jul-24
2,000,000	0.30	22-May-25
500,000	0.17	22-Mar-27
70,000	0.20	12-Jul-24
425,000	0.25	13-Jul-25
3,000,000	0.35	13-Jul-26
7,995,000	\$ 0.29	

9. RELATED PARTY TRANSACTIONS**Key management personnel compensation**

Key management includes directors and executive officers. The remuneration of the key management of the Company due from a related party company during the three and nine months ended July 31, 2023 and 2022 were as follows:

QC Copper and Gold Inc.

Notes to the Financial Statements

For the periods ended July 31, 2023, and 2022

(Expressed in Canadian dollars)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2023	2022	2023	2022
Geological consulting included in exploration expenses	\$75,000	\$45,000	\$175,500	\$135,000
Management and consulting fees	65,020	67,365	212,050	201,215
Share-based payments	-	(18,413)	9,677	630,125
	\$140,020	\$93,952	\$397,227	\$966,340

Standard Ore Corporation ("Standard Ore") is controlled by a director of the Company. Standard Ore provides corporate and administrative services to the Company. For the three and nine months ended July 31, 2023, Standard Ore charged the Company \$30,000 and \$90,000 of management fees, respectively (three and nine months ended July 31, 2022 – \$30,000 and 90,000, respectively), which is included in the amounts in the above chart.

The following are the balances due from related parties:

	July 31, 2023	October 31, 2022
Due from Standard Ore Corporation	52,670	\$ 61,003
Due to Baselode Energy Corp.	(8,618)	\$ 1,766
Due from Orecap Invest Corp.	75,462	(10,969)
Due from Mistango River Resources Inc.	124,348	10,962
Due to American Eagle Gold Corp.	(3,953)	1,766
Due from Metal Energy Corp.	2,071	(2,187)
	241,980	62,341

All of the amounts are unsecured, non-interest bearing with no fixed terms of repayment.

As at July 31, 2023, accounts payable and accrued liabilities included \$Nil (October 31, 2022 - \$4,606) due to officers and directors of the Company.

The Company provided exploration and geological services to Mistango River Resources and Orefinders Resources, companies with common management, totalling \$38,000 and \$161,500 during the three and nine months ended July 31, 2023, respectively (2022 – nil). The costs of these services have been credited against the underlying costs associated with providing the services.

10. COMMITMENTS AND CONTINGENCIES

(i) The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitment.

(ii) The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made and expects to make in the future, expenditures to comply with such laws and regulations.

(iii) The Company is party to certain management contracts. These contracts contain minimum commitments of approximately \$10,000 per month.

(iv) The Company is party to commitments with regards to the acquisition of its Opemiska and Cooke Robitaille properties as detailed in Note 5.