

Interim Condensed Consolidated Financial Statements of

Phenom Resources Corp. (formerly *First Vanadium Corp.*)

For the three and nine months ended August 31, 2022 and 2021

(Unaudited, Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW

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 interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

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

Phenom Resources Corp. (formerly First Vanadium Corp.)
Condensed Interim Consolidated Statements of Financial Position
As at August 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

	Note	August 31, 2022 \$	November 30, 2021 \$
ASSETS			
Current			
Cash and cash equivalents		383,703	1,437,895
GST and other receivables		23,706	13,834
Prepaid expenses and deposits		107,195	105,168
		514,604	1,556,897
Reclamation bonds	5	250,286	244,264
Exploration and evaluation assets	5, 7	17,922,136	14,714,083
TOTAL ASSETS		18,687,026	16,515,244
LIABILITIES			
Current			
Accounts payable and accrued liabilities		785,657	1,273,287
SHAREHOLDERS' EQUITY			
Share capital	6	25,068,210	23,148,716
Reserves	6	10,230,743	8,791,623
Deficit		(17,397,584)	(16,698,382)
		17,901,369	15,241,957
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		18,687,026	16,515,244

Nature of operations and going concern (Note 1)
Commitments (Note 10)
Subsequent event (Note 11)

Approved on behalf of the Board:

"Michael Mracek"

Director – Michael Mracek

"Paul S. Cowley"

Director – Paul S. Cowley

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

Phenom Resources Corp. (formerly First Vanadium Corp.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended August 31, 2022 and August 31, 2021
(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended August 31		Nine months ended August 31	
		2022	2021	2022	2021
		\$	\$	\$	\$
Audit, accounting and legal	7	58,528	30,257	144,962	96,034
Consulting fees	7	51,489	118,000	157,489	390,667
Depreciation		-	1,097	-	3,292
Foreign exchange gain/(loss)		(18,320)	(1,986)	(38,403)	8,884
Exploration expenses		21,259	22,104	30,333	22,104
Investor relations and marketing		153,104	298,165	310,143	404,002
Office expenses		19,870	14,183	38,086	48,915
Stock based compensation	7	-	-	-	906,228
Transfer agent and filing fees		12,636	15,475	56,413	65,323
Travel and accommodation		2,226	1,055	3,527	1,688
		(300,792)	(498,350)	(702,550)	(1,947,137)
Interest income		1,831	486	3,348	2,282
Loss and comprehensive loss for the period		(298,961)	(497,864)	(699,202)	(1,944,855)
Basic and diluted loss per common share		(0.00)	(0.01)	(0.01)	(0.03)
Weighted average number of common shares outstanding – basic and diluted		82,948,065	75,391,799	80,649,689	65,268,748

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

Phenom Resources Corp. (formerly First Vanadium Corp.)
Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended August 31, 2022 and August 31, 2021
(Unaudited - Expressed in Canadian dollars)

	August 31, 2022	August 31, 2021
	\$	\$
Cash flows provided by (used in):		
Operating activities		
Loss for the period	(699,202)	(1,944,855)
Items not involving cash:		
Lease asset and equipment depreciation	-	15,238
Equipment depreciation	-	3,292
Lease finance charges	-	87
Share-based compensation	-	906,228
Net changes in non-cash working capital items:		
GST and other receivables	(9,872)	8,500
Prepaid expenses	(2,027)	(132,930)
Accounts payable and accrued liabilities	(53,265)	(158,793)
Cash used in operating activities	(764,366)	(1,303,233)
Investing activities		
Exploration and evaluation asset expenditures	(3,642,418)	(3,682,562)
Reclamation bond	(6,022)	(9,099)
	(3,648,440)	(3,691,661)
Financing activities		
Proceeds from private placement	3,000,000	6,000,000
Proceeds from exercise of options	20,000	71,625
Proceeds from exercise of warrants	197,167	745,459
Shares to be issued	160,000	-
Lease payments	-	(5,784)
Share issuance costs	(18,553)	(99,226)
Cash provided by financing activities	3,358,614	6,712,074
Increase (decrease) in cash and cash equivalents during the period	(1,054,192)	1,717,180
Cash and cash equivalents, beginning of period	1,437,895	1,688,911
Cash and cash equivalents, end of period	383,703	3,406,091
Cash	383,703	3,406,091
Cash equivalents	-	-
Cash and cash equivalents	383,703	3,406,091

Supplemental disclosure with respect to cash flows (Note 9)

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

Phenom Resources Corp. (formerly First Vanadium Corp.)
Condensed Interim Consolidated Statements of Changes in Equity
For the nine months ended August 31, 2022 and August 31, 2021
(Unaudited - Expressed in Canadian dollars)

	Common shares number	Share capital \$	Reserves \$	Deficit \$	Total \$
Balance – November 30, 2020	57,357,582	17,780,135	5,578,525	(13,932,668)	9,425,992
Shares issued for:					
cash pursuant to private placement	15,000,000	4,157,361	1,842,639	-	6,000,000
cash pursuant to exercise of options	220,000	138,383	(66,758)	-	71,625
cash pursuant to exercise of warrants	2,867,150	988,283	(242,824)	-	745,459
Share issuance costs - cash	-	(99,226)	-	-	(99,226)
Share issuance costs – finders warrants	-	(52,866)	52,866	-	-
Warrants issued for exploration and evaluation assets	-	-	680,843	-	680,843
Shares issued for exploration and evaluation assets	250,000	115,000	-	-	115,000
Share-based compensation	-	-	906,228	-	906,228
Loss and comprehensive loss	-	-	-	(1,944,855)	(1,944,855)
Balance – August 31, 2021	75,694,732	23,027,070	8,751,519	(15,877,523)	15,901,066
Shares issued for:					
cash pursuant to exercise of options	350,000	41,573	(6,573)	-	35,000
cash pursuant to exercise of warrants	50,000	17,073	(4,073)	-	13,000
Shares issued for exploration and evaluation assets	150,000	63,000	-	-	63,000
Commitment to issue shares – bonus shares	-	-	50,750	-	50,750
Loss and comprehensive loss	-	-	-	(820,859)	(820,859)
Balance – November 30, 2021	76,244,732	23,148,716	8,791,623	(16,698,382)	15,241,957
Shares issued for:					
cash pursuant to private placement	6,000,000	1,645,075	1,354,925	-	3,000,000
cash pursuant to exercise of options	50,000	39,945	(19,945)	-	20,000
cash pursuant to exercise of warrants	653,333	253,027	(55,860)	-	197,167
Share issuance costs – cash	-	(18,553)	-	-	(18,553)
Shares to be issued	-	-	160,000	-	160,000
Loss and comprehensive loss	-	-	-	(699,202)	(699,202)
Balance – August 31, 2022	82,948,065	25,068,210	10,230,743	(17,397,584)	17,901,369

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

Phenom Resources Corp. (formerly First Vanadium Corp.)
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended August 31, 2022 and August 31, 2021
(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Phenom Resources Corp. (formerly First Vanadium Corp.) (the “Company” or “Phenom Resources”) is in the business of the acquisition, exploration and evaluation of mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company has an interest in properties located in Nevada and Arizona, USA. On September 20, 2018, the Company changed its name from Cornerstone Metals Inc. to First Vanadium Corp. On July 6, 2021, the Company changed its name from First Vanadium Corp. to Phenom Resources Corp. The Company is incorporated under the Business Corporations Act (British Columbia). The common shares of the Company trade on the TSX Venture Exchange (“TSX-V”) under the symbol “PHNM”. The Company’s corporate head office is located at 1100-1199 W. Hastings Street, Vancouver, British Columbia, Canada.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and these interim condensed consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. At August 31, 2022, the Company had not yet achieved profitable operations, had a deficit of \$17,397,584 (2021 - \$16,698,382) since inception, a working capital deficit of \$271,053 (2021 - \$283,610), and expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. Therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to explore its exploration property interests and to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Subsequent to August 31, 2022 the Company completed a first tranche of a private placement and raise \$1,227,100 (Note 11).

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended November 30, 2021, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computations as in the annual consolidated financial statements for the year ended November 30, 2021.

These condensed interim consolidated financial statements were approved by the board of directors on October 31, 2022.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. FUTURE ACCOUNTING STANDARDS NOT YET EFFECTIVE

IAS 37–Provisions (“IAS 37”)

IAS 37 has been amended to clarify (i) the meaning of “costs to fulfil a contract”, and (ii) that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. These amendments are effective for periods beginning on or after January 1, 2022. The Company is currently assessing the impact of this amendment.

Phenom Resources Corp. (formerly First Vanadium Corp.)
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For the nine months ended August 31, 2022 and August 31, 2021
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IAS 1 –Presentation of Financial Statements (“IAS 1”)

IAS 1 has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023. The Company is currently assessing the impact of this amendment.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company uses the same accounting estimates and judgements as in the annual consolidated financial statements for the year ended November 30, 2021.

5. EXPLORATION AND EVALUATION ASSETS

	Carlin Gold- Vanadium	South Carlin Section 22	SMOKE Property	Total
	\$	\$	\$	\$
Balance as at November 30, 2021	14,438,440	193,845	81,798	14,714,083
Acquisition expenditures – cash	1,223,702	128,523	-	1,352,225
Acquisition expenditures – staking	-	-	8,752	8,752
Deferred exploration expenditures				
Assaying	145,652	-	110,118	255,770
Consulting	149,335	1,263	39,630	190,228
Drilling	708,346	-	368,070	1,076,416
Licenses, permits and fees	32,161	-	-	32,161
Surveying	6,241	-	25,737	31,978
Other	172,915	8,327	79,281	260,523
	2,438,352	138,113	631,588	3,208,053
Balance as at August 31, 2022	16,876,792	331,958	713,386	17,922,136

Carlin Gold-Vanadium Property, Nevada

On September 22, 2017 the Company entered into an assignment agreement with America’s Gold Exploration Inc. (“AGEI”). Pursuant to the assignment agreement, AGEI assigned to the Company all of AGEI’s interest in an option agreement between AGEI and Golden Predator US Holding Corp. (“GPUS”) dated June 14, 2017 as amended September 12, 2017. The option agreement grants to Phenom Resources the option to acquire a 100% interest in the Carlin Gold-Vanadium Project (the “Property”) located in Elko Nevada

During the year ended November 30, 2021, the Company amended the option agreement between AGEI and GPUS. The amendment focused on the extension of the Net Smelter Return (“NSR”) buy out. To compensate for the extension, the Company paid part of the remaining \$1,910,000 earlier and was required to issue 1,000,000 common share purchase warrants within 3 business days of TSX Venture Exchange approval. Each warrant will be exercisable for one common share at a purchase price of CAD\$0.75 per share for a period of five years from the date of issuance (issued on July 9, 2021). The value of \$680,843 attributed to the warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - \$0.83; exercise price - \$0.75; risk-free rate - 0.96%; expected life - 5.0 years; expected volatility - 116%; and expected dividends - nil.

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The Company under the new amendment has the right to purchase the total underlying 2% royalty at any time on or before June 30, 2023 (the “Royalty Purchase Payment Deadline”) upon payment of \$4,000,000. The Royalty Purchase Payment Deadline may be extended in one year increments for up to four additional years upon the payment of \$250,000 per year due on or before each of June 30, 2023, 2024, 2025 and 2026.

The total consideration applicable to Phenom Resources’ acquisition of the Property under the assignment agreement with AGEI is as follows:

- US\$15,000 on execution of the LOI (paid on September 1, 2017)
- Pay US\$35,000 (paid on November 9, 2017) and issue 1,000,000 common shares (issued on November 8, 2017) on the Closing Date of the Agreement
- Issue 1,000,000 common shares on the date that is one year from the Closing Date (issued on October 15, 2018).

The consideration applicable to Phenom Resources’ acquisition of the Property under the option agreement with GPUS is as follows:

- Pay US\$15,000 on June 14, 2017 (paid by AGEI prior to the assignment agreement);
- Pay US\$25,000 by June 14, 2018 (paid on May 28, 2018);
- Pay US\$50,000 by June 14, 2019 (paid on May 22, 2019);
- Pay US\$955,000 by July 30, 2021 (paid on July 15, 2021); and
- Pay US\$955,000 by June 30, 2022. (paid on June 17, 2022)

In addition, the Company is required to incur \$1,022,000 in exploration expenditures on the property as follows:

- US\$50,000 on or before December 15, 2017 (completed);
- US\$125,000 on or before December 15, 2018 (completed);
- US\$225,000 on or before December 15, 2019 (completed);
- US\$250,000 on or before December 15, 2020 (completed);
- US\$250,000 on or before December 15, 2021 (completed); and
- US\$122,000 on or before June 14, 2022 (completed).

The Company purchased the 1.5% NSR from AGEI and adopted certain amendments to the assignment agreement for 1,300,000 common shares (issued on December 5, 2018 with a fair value of \$1,222,000).

On June 27, 2022, the Company announced that it has now completed all work commitments and option payments, including the final US\$955,000 cash payment, under its option agreement to acquire the Carlin Gold-Vanadium Project. The Company now owns 100% of the Carlin Gold-Vanadium Project subject to a 2% NSR royalty which may be purchased by the Company at any time on or before June 30, 2027, for US\$4,000,000 and up to four annual payments of US\$250,000.

On January 17, 2019, the Company entered into an Access and Mineral Lease Agreement which increased mineral rights adjacent to the Carlin Gold-Vanadium property (referred to as the “Cole Creek Property”). Under the terms of the Access and Mineral Lease Agreement the Company paid the lessor US\$50,000 on signing (paid) and is required to pay an additional US\$20,000 annually for the lease.

In addition, the Company is to incur an aggregate of US\$100,000 in expenditures before January 19, 2022. In the event the Company commences mining operations on the Cole Creek Property, the annual payments will be replaced with a 5% NSR royalty in favor of the lessor. The lessor also owns or has rights to certain lands containing roads which the Company wishes to use for access to the Cole Creek Property and the Carlin Gold-Vanadium property. The Access and Mineral Lease Agreement grants to the Company the right to access such lands and roads for a payment of US\$15,000 (paid) on signing and US\$5,000 annually which will terminate at the Company’s start of development and mining operations. The Company has the right to terminate the lease portion of the agreement without termination of the road access portion of the agreement.

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Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited - Expressed in Canadian dollars)

The Company has paid \$202,797 (US\$157,424) (November 30, 2021 - \$202,797 (US\$157,424)) into reclamation bonds for the Carlin Gold-Vanadium Property.

South Carlin Section 22 Property, Nevada

On July 12, 2021, the Company, through its wholly-owned subsidiary, Copper One USA, Inc., signed a property option agreement with two private vendors pursuant to acquire a 100% interest in 36 unpatented mining claims located one mile north of the Company's Carlin Gold-Vanadium Property on the Carlin Gold Trend of Nevada, commonly referred to as the South Carlin Section 22 Property.

This new property ("Section 22") is located along the interpreted north-south trending structural corridor that is present within and passing through the Carlin Gold-Vanadium Property located to the south. With this acquisition, Phenom controls 3 of 4 square miles of the structural trend, with the one intervening square mile controlled by Nevada Gold Mines, the Barrick/Newmont Joint Venture.

Pursuant to the Option Agreement, in order to fully exercise its option and acquire the property, the Company will pay an aggregate of US\$920,000 as follows:

- US\$70,000 on signing (paid);
- US\$100,000 on or before June 3, 2022 (paid);
- US\$200,000 on or before June 3, 2023;
- US\$250,000 on or before June 3, 2024; and
- US\$300,000 on or before June 3, 2025

In addition, the Company is required to incur an aggregate of US\$1,000,000 in exploration expenditures on the property over the next four years as follows:

- US\$100,000 on or before June 3, 2022; (completed)
- US\$200,000 on or before June 3, 2023;
- US\$200,000 on or before June 3, 2024; and
- US\$500,000 on or before June 3, 2025

The vendors will also retain an aggregate 4% NSR on any mineral products derived from the property.

The Company has paid \$12,850 (US\$9,752) (November 30, 2021 - \$12,850 (US\$9,752)) into reclamation bonds for the South Carlin Section 22 Property.

SMOKE Property, Nevada

On October 27, 2021, the Company signed a three-year option agreement with Nevada Gold Ventures, LLC ("Nevada Gold"), whereby the Company has the option to acquire a 100% interest in the SMOKE Property. As consideration for the property, the Company will make cash payments of US\$10,000 and issue 600,000 common shares to Nevada Gold as follows:

- Pay US\$10,000 on signing of the Option Agreement (paid on November 12, 2021);
- Issue 150,000 common shares on receipt of approval from TSX Venture Exchange ("TSX-V") (issued on November 16, 2021 and with a fair value of at \$63,000);
- Issue an additional 150,000 common shares on or before November 15, 2022;
- Issue an additional 150,000 common shares on or before November 15, 2023; and
- Issue an additional 150,000 common shares on or before November 15, 2024

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In addition, the Company is required to incur US\$500,000 in exploration expenditures on the property over the next three years as follows:

- US\$100,000 on or before November 15, 2022; (completed)
- US\$200,000 on or before November 15, 2023; (completed) and
- US\$200,000 on or before November 15, 2024

Nevada Gold will retain a 3% NSR on any mineral products derived from the SMOKE Property. Phenom will have the right to purchase up to a 2% NSR for US\$1,000,000 for each 1% NSR prior to commencing commercial production, leaving Nevada Gold with a 1% NSR.

The Company has paid \$16,539 (US\$12,787) (November 30, 2021 - \$10,517 (US\$8,153) into a reclamation bond for the SMOKE Property.

West Jerome, Arizona

On August 22, 2013, the Company acquired all of the issued and outstanding shares of CO USA. The acquisition included an undivided 100% interest in West Jerome located in Arizona. The property is subject to a 1.5% NSR to one party and a 0.5% NSR to another party.

During the nine months ended August 31, 2022 the Company paid \$22,269 (2021 - \$22,104) in permitting and geophysical consulting fees to keep the West Jerome property in good standing. These costs have been expensed as exploration costs on the statement of loss and comprehensive loss.

Other

As at August 31, 2022, the Company holds \$9,000 (November 30, 2021 - \$9,000) of reclamation bonds related to its previously held Spences Bridge prospect.

As at August 31, 2022, the Company holds \$9,100 (November 30, 2021 - \$9,000) of reclamation bonds related to its previously held AVP property.

6. SHARE CAPITAL

- a) Authorized: Unlimited common shares without par value
- b) Financing:

For the nine months ended August 31, 2022

During the nine months ended August 31, 2022, the Company closed a private placement of 6,000,000 units at a price of \$0.50 per unit for gross proceeds of \$3,000,000. Each unit is comprised of one common share and one warrant. Each warrant entitles the holder to purchase one common share for period of four years at a price of \$0.75. The value of \$1,354,925 attributed to the warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - \$0.63; exercise price - \$0.75; risk-free rate - 1.55%; expected life - 4.0 years; expected volatility - 97.88%; and expected dividends - nil. Additionally, in connection with the private placement, the Company incurred \$18,553 in cash share issuance costs

During the nine months ended August 31, 2022, a total of 583,333 warrants with an exercise price of \$0.26 per share and a total of 70,000 warrants with an exercise price of \$0.65 were exercised for gross proceeds of \$197,167. The fair value of the warrants of \$55,860 was reclassified from reserves to share capital.

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During the nine months ended August 31, 2022, a total of 50,000 options with an exercise price of \$0.40 per share were exercised for gross proceeds of \$20,000. The fair value of the stock options of \$19,945 was reclassified from reserves to share capital.

For the nine months ended August 31, 2021

During the nine months ended August 31, 2021, the Company closed a non-brokered private placement by issuing 15,000,000 units at \$0.40 per unit for total gross proceeds of \$6,000,000. Each unit consists of one common share and one-half purchase warrant. Each purchase warrant is exercisable into one common share for a period of three years at an exercise price of \$0.55 per share. The value of \$1,842,639 attributed to the warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - \$0.55; exercise price - \$0.55; risk-free rate - 0.51%; expected life - 3.0 years; expected volatility - 105%; and expected dividends - nil. Additionally, in connection with the private placement, the Company incurred \$99,226 in cash share issuance costs and issued 150,325 finders' warrants. The value of \$52,866 attributed to the finders' warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - \$0.55; exercise price - \$0.55; risk-free rate - 0.51%; expected life - 3.0 years; expected volatility - 105%; and expected dividends - nil.

During the nine months ended August 31, 2021, a total of 2,867,150 warrants with an exercise price of \$0.26 per share were exercised for gross proceeds of \$745,459. The fair value of the warrants of \$242,824 was reclassified from reserves to share capital.

During the nine months ended August 31, 2021, a total of 220,000 options with a weighted average exercise price of \$0.33 per share were exercised for gross proceeds of \$71,625. The fair value of the stock options of \$66,758 was reclassified from reserves to share capital.

c) Stock options:

Stock option plan

The Company has adopted a stock option plan which authorizes the grant of up to 10% of the issued and outstanding shares as incentive stock options to directors, officers, insiders, employees and other service providers to the Company. The stock option plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12-month period. The number of incentive stock options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company. The options granted under the stock option plan vest immediately, unless otherwise elected by the Board of Directors.

The balance of fully exercisable options outstanding and related information for nine months ended August 31, 2022 are as follows:

	Options Outstanding	Weighted Average Exercise Price (per share)	Weighted Average Life (Years)
Balance, November 30, 2020	4,460,000	\$0.36	3.02
Granted	1,890,000	\$0.58	
Exercised	(570,000)	\$0.19	
Cancelled	(400,000)	\$0.68	
Balance, November 30, 2021	5,380,000	\$0.43	3.06
Exercised	(50,000)	\$0.40	
Balance, August 31, 2022	5,330,000	\$0.43	2.30

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As at August 31, 2022, the Company had the following fully exercisable options outstanding:

Expiry Date	Exercise Price	Options outstanding and exercisable
October 25, 2022 ⁽¹⁾	\$0.30	395,000
November 9, 2022	\$0.31	200,000
January 22, 2023	\$0.30	10,000
April 6, 2023	\$0.26	100,000
April 6, 2023	\$0.56	720,000
July 30, 2023	\$0.26	150,000
October 23, 2023	\$0.26	100,000
October 30, 2023	\$0.26	100,000
March 18, 2024	\$0.26	245,000
March 18, 2024	\$0.60	45,000
November 8, 2024	\$0.25	100,000
November 18, 2024	\$0.25	100,000
August 5, 2025	\$0.32	1,225,000
May 13, 2026	\$0.59	1,840,000
		5,330,000

⁽¹⁾ Subsequent to August 31, 2022, all of these options expired unexercised

d) Warrants:

The balance of warrants outstanding and related information for the nine months ended August 31, 2022 were as follows:

	Warrants Outstanding	Weighted Average Exercise Price (per share)	Weighted Average Life (Years)
Balance, November 30, 2020	14,061,317	\$0.36	2.35
Issued	8,650,325	\$0.57	
Exercised	(2,917,150)	\$0.26	
Balance, November 30, 2021	19,794,492	\$0.46	1.89
Issued	6,000,000	\$0.75	
Exercised	(653,333)	\$0.30	
Expired	(3,367,500)	\$0.65	
Balance, August 31, 2022	21,773,659	\$0.54	2.01

As at August 31, 2022, the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Warrants outstanding
July 9, 2023	\$0.26	7,123,334
May 5, 2024	\$0.55	6,977,325
May 12, 2024	\$0.55	673,000
July 9, 2026	\$0.75	1,000,000
March 3, 2026	\$0.75	6,000,000
		21,773,659

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7. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing, and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company's key management personnel include all directors, officers and companies associated with them including the following:

- Buena Tierra Development Ltd ("Buena Tierra"), a company owned by Paul Cowley, the President, Chief Executive Officer and a director of the Company.

Compensation paid or payable to key management personnel for services provided during the three and nine months ended August 31, 2022 and 2021 was as follows:

	Three months ended		Nine months ended	
	August 31,		August 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Accounting fees	5,000	5,467	20,983	18,611
Consulting fees	45,000	45,000	135,000	235,000
Deferred exploration expenditure - consulting	21,375	450	31,844	5,402
Share-based compensation	-	-	-	452,776
	71,375	50,917	187,826	711,789

As at August 31, 2022, accounts payable and accrued liabilities include \$171,998 (November 30, 2021 – \$215,760) due to officers of the Company and/or companies controlled by officers of the Company. The amounts are non-interest bearing, unsecured and have no specific terms of repayment. A total of \$153,010 owing to a related party balance relates to bonus payments earned by an officer and director of the Company. The payment will be deferred until such time as the Company's Board of Directors approves payment.

As at August 31, 2022, amounts receivable include \$2,998 (November 30, 2021 – \$2,203) due from a director of the Company. The amounts are non-interest bearing, unsecured and have no specific terms of repayment.

As at a August 31, 2022, the Company has a commitment to issue 87,500 common shares to an officer and director of the Company. The shares are valued at \$50,750 and are included in reserves in shareholders' equity.

8. SEGMENTED INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief executive officer and the executive management in assessing performance and in determining the allocation of resources. The Company considers the business from a geographic perspective and assesses the performance of the operating segments based on measures such as net property and equipment as well as operational results.

Operating Segment

The Company's operations are limited to a single industry segment, being the acquisition, exploration and development of mineral properties.

Geographic Segments

As at August 31, 2022 the Company's operations and assets are located in Canada and the USA. By geographic areas, the Company's losses for the three and nine months ended August 31, 2022 and August 31, 2021 are as follows:

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	Three months ended		Nine months ended	
	August 31,		August 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Canada	208,804	471,545	584,664	1,898,725
USA	90,157	26,319	114,538	46,130
	298,961	497,864	699,202	1,944,855

By geographic areas, the Company's non-current assets as at August 31, 2022 and November 30, 2021 are as follows:

	2022	2021
	\$	\$
Canada	28,617	9,000
USA	18,143,805	14,949,347
	18,172,422	14,958,347

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Non-cash investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. During the nine months ended August 31, 2022 and August 31, 2021, non-cash financing and investing activities included:

- \$1,354,925 (August 31, 2021 - \$1,842,639) was allocated from share capital to reserves to record the relative fair value of the warrants issued in private placements;
- \$55,860 (August 31, 2021 - \$242,824) was reclassified from reserves to share capital on the exercise of warrants;
- \$19,945 (August 31, 2021 - \$66,758) was reclassified from reserves to share capital on the exercise of options;
- \$567,733 (November 30, 2021 - \$1,002,098) in accounts payable and accrued liabilities related to exploration and evaluation assets;

10. COMMITMENTS

The following table summarizes the contractual maturities of the Company's significant financial liabilities and capital commitments, including contractual obligations for the years ended November 30 indicated:

	2022	2023	2024	2025	2026	Total
	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	582,435	-	-	-	-	582,435
Consulting agreement obligations	45,000	180,000	180,000	180,000	180,000	765,000
Exploration obligations ⁽¹⁾	-	822,450	888,246	1,085,633	32,898	2,829,227
	627,435	1,002,450	1,068,246	1,265,633	212,898	4,176,662

⁽¹⁾ Exploration obligations include all option payments, mineral access, mineral lease, and exploration expenditure obligations for the Company's mineral properties.

11. SUBSEQUENT EVENT

The Company closed the first tranche of a private placement and issued 4,090,334 Units for gross proceeds of \$1,227,100. Each Unit will be comprised of one common share and one half warrant. Each whole warrant will entitle the holder to purchase one common share for a period of 3 years at a price of \$0.50. A total of \$160,000 had been received prior to August 31, 2022.