

**VEGA MINING INC.**

Condensed Interim Financial Statements

For the three months ended August 31, 2022 and 2021

(Unaudited – prepared by management)

(Presented 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 unaudited 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.

**VEGA MINING INC.**

Condensed Interim Statements of Financial Position

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

As at,

	Note	August 31, 2022 (\$)	May 31, 2022 (\$)
<b>Assets</b>			
<b>Total assets</b>			
-			
<b>Liabilities and shareholders' deficiency</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	4	317,216	263,187
<b>Total liabilities</b>			
317,216			
<b>Shareholders' deficiency</b>			
Share capital	5	5,202,984	5,202,984
Reserves	5	89,910	89,910
Deficit		(5,610,110)	(5,556,081)
<b>Total shareholders' deficiency</b>			
(317,216)			
<b>Total liabilities and shareholders' deficiency</b>			
-			

**Nature of operations and going concern (Note 1)**

Approved and authorized for issuance by the Board of Directors:

"Gordon Friesen"

Director

"Allan Glowach"

Director

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

**VEGA MINING INC.**

Condensed Interim Statements of Loss and Comprehensive Loss

For the three months ended August 31, 2022 and 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Expenses</b>		
Accounting and audit (note 4)	22,000	-
Consulting	30,000	-
Interest	-	642
Legal	2,029	-
<b>Net loss and comprehensive loss for the period</b>	<b>(54,029)</b>	<b>(642)</b>
<b>Basic and diluted loss per share</b>	<b>(0.01)</b>	<b>(0.00)</b>
<b>Weighted average number of shares outstanding</b>	<b>10,781,117</b>	<b>10,781,117</b>

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

**VEGA MINING INC.**

Condensed Interim Statements of Changes in Shareholders' Deficiency  
(Unaudited – prepared by management)  
(Expressed in Canadian Dollars)

	<b>Number of Shares</b>	<b>Share Capital (\$)</b>	<b>Reserves (\$)</b>	<b>Deficit (\$)</b>	<b>Total (\$)</b>
Balance, May 31, 2021	10,781,117	5,202,984	89,910	(5,493,000)	(200,106)
Net loss for the period	-	-	-	(642)	(642)
Balance, August 31, 2021	10,781,117	5,202,984	89,910	(5,493,642)	(200,748)
Balance, May 31, 2022	10,781,117	5,202,984	89,910	(5,556,081)	(263,187)
Net loss for the period	-	-	-	(54,029)	(54,029)
Balance, August 31, 2022	10,781,117	5,202,984	89,910	(5,610,110)	(317,216)

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

**VEGA MINING INC.**

Condensed Interim Statements of Cash Flows  
For the three months ended August 31, 2022 and 2021  
Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)

	<b>2022</b>	<b>2021</b>
	<b>(\$)</b>	<b>(\$)</b>
<b>Cash flows from operating activities</b>		
Net loss for the period	(54,029)	(642)
Changes in non-cash working capital items		
Accounts payable and accrued liabilities	54,029	642
Net cash used in operating activities	-	-
<b>Change in cash</b>	-	-
<b>Cash – beginning of the period</b>	-	-
<b>Cash – end of the period</b>	-	-

**Supplemental disclosures with respect to cash flows:**

During the year ended May 31, 2022, creditors assigned \$181,267 of accounts payable owed to them by the Company to a company controlled by an arm's-length third party. The amounts owing are non-interest bearing and are payable on demand.

There were no supplemental disclosures with respect to cash flows during the period ended August 31, 2022.

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

## **VEGA MINING INC.**

Notes to the Condensed Interim Financial Statements  
For the three months ended August 31, 2022 and 2021  
(Unaudited – prepared by management)  
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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Vega Mining Inc. (the "Company") was a resource exploration company focused on acquiring and exploring resource properties in Canada.

The Company's head office and registered office is 250 – 750 West Pender Street, Vancouver, BC, V6C 2T7. The Company was formerly listed on the TSX Venture Exchange ("TSXV") under the symbol "VMI".

The Company was incorporated on November 21, 2007 under the Business Corporations Act (British Columbia).

On October 7, 2014, trading in the shares of the Company was suspended by the TSXV for having failed to maintain Exchange requirements.

On April 29, 2015, the Company's listing transferred to NEX, the Company's Tier classification changed from Tier 2 to NEX, the Filing and Service Office changed from Vancouver to NEX and the trading symbol for the Company changed from VMI to VMI.H.

On July 7, 2016, the Company's securities were delisted from NEX for failure to pay the NEX Listing Maintenance Fee.

On October 11, 2022 the British Columbia and Alberta Securities Commissions (the "Commissions") revoked their cease trade orders issued against the Company. The Company's common shares were cease traded by the Commissions for failure to file annual financial statements and management's discussion and analysis for the May 31, 2014 and in the case of the Alberta Securities Commission the interim unaudited financial statements and management's discussion and analysis for the interim periods ended August 31, 2014 and November 30, 2014. The annual financial statements and management's discussion and analysis for the fiscal years ended May 31, 2022, 2021, 2020 and 2019 and the interim unaudited financial statements and management's discussion and analysis for the interim periods ended August 31, 2021, November 30, 2021 and February 28, 2022, were filed by the Company effective September 27, 2022.

These condensed interim financial statements have been prepared assuming the Company will continue on a going-concern basis and be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the period ended August 31, 2022, the Company reported a loss of \$54,029 and had an accumulated deficit of \$5,610,110 at that date. The Company had a working capital deficit of \$317,216 at August 31, 2022. These circumstances lend significant doubt as to the ability of the Company to continue as a going concern.

Continuing operations as a going concern are dependent upon management's ability to raise adequate financing and to ultimately achieve profitable operations in the future. Management has implemented a series of cost cutting measures and continues to seek financing. Although management has been successful in the past, there is no assurance that these initiatives will be successful in the future.

These condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

### **2. BASIS OF PREPARATION**

These condensed interim financial statements, including comparatives have been prepared using accounting policies consistent with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

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### **2. BASIS OF PREPARATION (continued)**

These condensed interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed interim financial statements are presented in Canadian Dollars, which is also the Company's functional currency, unless otherwise indicated.

The Board of Directors approved these condensed interim financial statements on October 26, 2022.

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

#### a) Significant judgments

The most significant judgments in applying the Company's accounting policies include the assessment of the Company's ability to continue as a going concern and the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses.

#### b) Significant estimates and assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and provisions for restoration and environmental obligations.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at May 31, 2022. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended May 31, 2022.

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### **4. 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 considers all Directors and Officers of the Company to be key management personnel.

During the period ended August 31, 2022, the Company incurred \$15,000 in accounting fees (2021 - \$nil) to an accounting firm of which a director of the Company is a partner. As at August 31, 2022, there was \$31,500 (May 31, 2022 - \$15,750) due to this firm, included in accounts payable and accrued liabilities. This amount is non-interest bearing with no stated terms of payment.

As at August 31, 2022, there was \$5,936 (May 31, 2022 - \$5,936) of expense reimbursements due to a partner, who is a director of the Company, of the above-noted accounting firm, included in accounts payable and accrued liabilities. This amount is non-interest bearing with no stated terms of payment.

### **5. SHARE CAPITAL**

The authorized share capital of the Company consists of unlimited common shares without par value. At August 31, 2022, there were 10,781,117 common shares outstanding.

There were no share issuances during the period ended August 31, 2022 and the year ended May 31, 2022.

There were no stock options or warrants outstanding during the period ended August 31, 2022 and the year ended May 31, 2022.

### **6. FINANCIAL INSTRUMENTS AND 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 is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### *a) 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.

#### *b) Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accounts payable and accrued liabilities are due within the current operating period.

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### **6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

#### *c) Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### *d) 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. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions.

#### *e) Commodity Price Risk*

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the market price of the primary minerals identified in its mineral properties. Mineral prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A sustained, significant decline in the prices of the primary minerals or in the share prices of junior mineral exploration companies in general, could have a negative impact on the Company's ability to raise additional capital. Sensitivity to commodity price risk is remote since the Company has not established any reserves or production.

### **7. CAPITAL RISK MANAGEMENT**

The Company defines its capital as all components of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to managing capital during the period.