
T2 METALS CORP.

(formerly Aguila Copper Corp.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
OCTOBER 31, 2022

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

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

The Company's auditors have not performed a review of these condensed consolidated interim 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 auditor.

T2 METALS CORP. (formerly *Aguila Copper Corp.*)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	October 31, 2022 \$	April 30, 2022 \$
ASSETS			
Current assets			
Cash		1,447,601	1,782,915
GST receivable		11,980	10,109
Prepays		<u>39,895</u>	<u>44,043</u>
Total current assets		<u>1,499,476</u>	<u>1,837,067</u>
Non-current assets			
Property, plant and equipment	4	75,563	-
Exploration and evaluation assets	5	579,864	316,151
Bond		<u>4,815</u>	<u>4,513</u>
Total non-current assets		<u>660,242</u>	<u>320,664</u>
TOTAL ASSETS		<u>2,159,718</u>	<u>2,157,731</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	<u>294,466</u>	<u>258,775</u>
TOTAL LIABILITIES		<u>294,466</u>	<u>258,775</u>
SHAREHOLDERS' EQUITY			
Share capital	6	30,201,697	29,951,417
Share-based payments reserve		2,004,309	1,936,409
Deficit		<u>(30,340,754)</u>	<u>(29,988,870)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>1,865,252</u>	<u>1,898,956</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>2,159,718</u>	<u>2,157,731</u>

Nature of Operations - see Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on December 16, 2022 and are signed on its behalf by:

/s/ Mark Saxon
Mark Saxon
Director

/s/ Nick DeMare
Nick DeMare
Director

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

T2 METALS CORP. (formerly *Aguila Copper Corp.*)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended October 31,		Six Months Ended October 31,	
		2022 \$	2021 \$	2022 \$	2021 \$
Expenses					
Accounting and administration	7(b)(ii)	13,500	10,900	20,850	15,900
Audit		13,000	12,000	13,000	12,000
Corporate development		48,533	9,334	75,394	33,579
Director and officer compensation	7	34,500	33,000	69,000	66,000
General exploration		6,975	-	11,843	-
Insurance		-	918	-	3,870
Investor relations		-	62,647	-	125,294
Legal		21,244	9,777	21,244	9,850
Office		1,494	1,696	2,403	2,387
Professional fees		24,630	92,397	47,956	99,414
Regulatory fees		10,479	8,578	16,964	15,378
Share-based compensation	6(d)	67,900	30,400	67,900	57,400
Shareholder costs		2,070	2,060	3,611	3,410
Transfer agent		1,050	1,585	2,319	2,282
Travel		14,294	-	31,369	-
Website development and support		459	-	650	-
		<u>260,128</u>	<u>275,292</u>	<u>384,503</u>	<u>446,764</u>
Loss before other items		<u>(260,128)</u>	<u>(275,292)</u>	<u>(384,503)</u>	<u>(446,764)</u>
Other items					
Interest income		13,364	2,967	21,606	5,698
Foreign exchange		11,241	(659)	11,013	3,862
		<u>24,605</u>	<u>2,308</u>	<u>32,619</u>	<u>9,560</u>
Net loss and comprehensive loss for the period		<u>(235,523)</u>	<u>(272,984)</u>	<u>(351,884)</u>	<u>(437,204)</u>
Basic and diluted loss per common share		<u>\$(0.01)</u>	<u>\$(0.01)</u>	<u>\$(0.01)</u>	<u>\$(0.02)</u>
Basic and diluted weighted average number of common shares outstanding		<u>25,812,430</u>	<u>20,934,874</u>	<u>25,400,258</u>	<u>20,462,652</u>

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

T2 METALS CORP. (formerly *Aguila Copper Corp.*)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

Six Months Ended October 31, 2022					
Common Shares					
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance at April 30, 2022	24,001,541	29,951,417	1,936,409	(29,988,870)	1,898,956
Common shares issued for:					
- property option	100,000	23,000	-	-	23,000
- warrants exercised	1,712,000	227,280	-	-	227,280
Share-based compensation	-	-	67,900	-	67,900
Net loss for the period	-	-	-	(351,884)	(351,884)
Balance at October 31, 2022	25,813,541	30,201,697	2,004,309	(30,340,754)	1,865,252

Six Months Ended October 31, 2021					
Common Shares					
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance at April 30, 2021	20,226,541	29,209,019	1,834,209	(28,718,917)	2,324,311
Common shares issued for:					
- private placement	3,750,000	750,000	-	-	750,000
Share issue costs	-	(10,852)	-	-	(10,852)
Share-based compensation	-	-	57,400	-	57,400
Net loss for the period	-	-	-	(437,204)	(437,204)
Balance at October 31, 2021	23,976,541	29,948,167	1,891,609	(29,156,121)	2,683,655

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

T2 METALS CORP. (formerly *Aguila Copper Corp.*)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended October 31,	
	2022 \$	2021 \$
Operating activities		
Net loss for the period	(351,884)	(437,204)
Adjustments for:		
Foreign exchange	(302)	-
Share-based compensation	67,900	57,400
Changes in non-cash working capital items:		
GST receivable	(1,871)	7,849
Prepays	4,148	131,085
Accounts payable and accrued liabilities	28,068	44,164
Net cash used in operating activities	<u>(253,941)</u>	<u>(196,706)</u>
Investing activities		
Additions to property, plant and equipment	(76,273)	-
Exploration and evaluation assets expenditures	(232,380)	(97,989)
Net cash used in investing activities	<u>(308,653)</u>	<u>(97,989)</u>
Financing activities		
Issuance of common shares	227,280	750,000
Share issue costs	-	(10,852)
Net cash provided by financing activities	<u>227,280</u>	<u>739,148</u>
Net change in cash during the period	(335,314)	444,453
Cash at beginning of period	<u>1,782,915</u>	<u>1,776,271</u>
Cash at end of period	<u>1,447,601</u>	<u>2,220,724</u>

Supplemental cash flow information - See Note 9

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

T2 METALS CORP. (formerly *Aguila Copper Corp.*)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2022
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

On October 20, 2022 Aguilá Copper Corp. changed its name to T2 Metals Corp. (the “Company”). The Company is listed and trades on the TSX Venture Exchange (“TSXV”) under the new symbol “TWO”, the OTCQB under the symbol “AGLAF” and the Frankfurt Stock Exchange under the Symbol “WJ6”. The Company’s principal and executive office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7, Canada.

The Company is a junior resource company engaged in the acquisition and exploration of unproven mineral interests. On the basis of information to date the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. As a mineral Company in the exploration stage the ability of the Company to complete the exploration and development of its mineral property interests will be affected primarily by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

The Company has a history of losses with no operating revenues and, as at October 31, 2022, the Company had working capital of \$1,205,010. The Company’s operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Although management considers that the Company has adequate resources to maintain its current levels of overhead, make annual mineral concession payments as they come due and fund existing levels of planned exploration expenditures over the course of the next twelve months, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

In March 2020 the World Health Organization declared the outbreak of a novel coronavirus, identified as “COVID-19”, as a global pandemic. This contagious disease outbreak, which has continued to spread, and any related public health developments, has caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. It is not possible for the Company to predict the duration and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and its interpretations, using accounting policies consistent with International Financial Reporting Standards (“IFRS”). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended April 30, 2022, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee (“IFRIC”). The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company’s financial statements for the year ended April 30, 2022 plus adoption of the following accounting policy.

Adoption of Accounting Policy

During the six months ended October 31, 2022 the Company purchased and deployed the use of field equipment. Accordingly, the Company has adopted the following:

Property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

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2. Basis of Preparation (continued)

The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment are depreciated annually on a straight-line basis over the estimated useful life of the assets, at a rate of 20% for field equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive income or loss.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

The Company compares the carrying value of property, plant and equipment to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment whenever events or circumstances warrant.

Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

3. Subsidiary

On November 10, 2020 the Company established a United States subsidiary, Aguilá Gold Inc., (“Aguila USA”) in the state of Nevada to conduct the Company’s activities in the United States. As at October 31, 2022 Aguilá USA is the Company’s sole subsidiary.

4. Property, Plant and Equipment

	Field Equipment \$
Balance at April 30, 2022	-
Additions	76,273
Depreciation	<u>(710)</u>
Carrying value at October 31, 2022	<u>75,563</u>

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5. Exploration and Evaluation Assets

	WUSA Gold Project \$	Cora Copper Project \$	Lida Copper Project \$	Sherridon Project \$	Total \$
Balance at April 30, 2021	515,159	-	-	-	515,159
Exploration costs					
Assays	1,855	-	7,874	-	9,729
Camp costs	-	4,845	-	-	4,845
Field work	-	1,098	-	-	1,098
Geophysical	-	42,304	-	-	42,304
Geological	7,782	50,833	79,822	48,232	186,669
Permits	8,327	-	-	-	8,327
Travel	1,268	-	2,285	-	3,553
Vehicle rental	1,849	2,302	965	-	5,116
	<u>21,081</u>	<u>101,382</u>	<u>90,946</u>	<u>48,232</u>	<u>261,641</u>
Acquisition costs					
Option payment	-	-	-	15,000	15,000
Staking costs	-	18,270	42,321	-	60,591
	<u>-</u>	<u>18,270</u>	<u>42,321</u>	<u>15,000</u>	<u>75,591</u>
Impairment	<u>(536,240)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(536,240)</u>
Balance at April 30, 2022	<u>-</u>	<u>119,652</u>	<u>133,267</u>	<u>63,232</u>	<u>316,151</u>
Exploration costs					
Depreciation	-	-	355	355	710
Geophysical	-	-	109,841	-	109,841
Geological	-	16,984	33,585	41,267	91,836
Supplies	-	230	230	-	460
Travel	-	3,664	3,925	7,249	14,838
	<u>-</u>	<u>20,878</u>	<u>147,936</u>	<u>48,871</u>	<u>217,685</u>
Acquisition costs					
Staking costs	-	9,937	13,091	-	23,028
Option payment	-	-	-	23,000	23,000
	<u>-</u>	<u>9,937</u>	<u>13,091</u>	<u>23,000</u>	<u>46,028</u>
Balance at October 31, 2022	<u>-</u>	<u>150,467</u>	<u>294,294</u>	<u>135,103</u>	<u>579,864</u>

(a) *WUSA Gold Project, Oregon*

Effective December 27, 2017, as amended, Mawson Gold Limited and its subsidiary, Mawson Resources USA Inc. (“Mawson USA”) (collectively “Mawson”), entered into an agreement (the “WUSA Option Agreement”) whereby it was granted the option to lease and to conduct exploration on mineral rights (the “WUSA Gold Project”) located in Oregon, USA.

On July 27, 2020 Mawson and the Company entered into an agreement whereby the Company was granted the right to earn up to an 80% indirect interest in the WUSA Gold Project. The Company had earned an initial 51% indirect interest (the “Initial Interest”) by funding a minimum of US \$200,000 in exploration expenditures and making a US \$25,000 payment to the landholder. The Company could earn an additional 29% indirect interest by funding a further US \$1,000,000 in exploration expenditures by December 31, 2022 and making all the remaining option lease payments and exploration expenditures required under the WUSA Option Agreement.

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5. Exploration and Evaluation Assets (continued)

During fiscal 2022 the Company determined not to incur any additional costs required to maintain its interest in the WUSA Option Agreement and provided notice of termination. The Company has determined to impair all capitalized expenditures on the WUSA Gold Project as at April 30, 2022 and, accordingly, has recorded an impairment of \$536,240.

The Company and Mawson have a director in common.

(b) *Cora Copper Project, Arizona*

The Company has staked 46 mining claims (the “Cora Copper Project”), located in Pinal County, Arizona.

(c) *Lida Copper Project, Nevada*

The Company has staked 58 mining claims (the “Lida Copper Project”), located in Esmeralda County, Nevada.

(d) *Sherridon Property, Manitoba*

On December 6, 2021 the Company entered into an option agreement (the “Sherridon Option Agreement”) with a private British Columbia company (the “Vendor”) pursuant to which the Company has been granted the option to earn up to a 90% interest of 28 mining claims and one mineral lease (the “Sherridon Property”) located in the Sherridon mining district in Manitoba, Canada.

Pursuant to the Sherridon Option Agreement the Company has paid \$15,000 and issued to the Vendor 100,000 common shares of the Company on August 4, 2022. The Company will earn an initial 80% interest (the “Option”) in the Sherridon Property by incurring \$1,000,000 exploration expenditures by January 31, 2026. The Company may then earn a further 10% interest by incurring an additional \$1,000,000 of exploration expenditures by January 31, 2029. Upon exercise of the Option, the Vendor and the Company will form a joint venture and the Vendor will then fund project expenditures in proportion to its interest in the Sherridon Property. If the Vendor’s interest is reduced to less than 10%, its interest will be converted into a 1.5% net smelter royalty that is purchasable by the Company for \$2,000,000 at any time.

6. Share Capital

(a) *Authorized Share Capital*

The Company’s authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) *Equity Financings*

Six Months Ended October 31, 2022

No financings were conducted by the Company during the six months ended October 31, 2022.

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6. Share Capital (continued)

Fiscal 2022

On October 15, 2021 the Company completed a non-brokered private placement of 3,750,000 units at \$0.20 per unit, for total proceeds of \$750,000. Each unit comprised one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.30 per share on or before October 15, 2024. A director of the Company purchased a total of 125,000 units of the private placement.

The Company incurred a total of \$10,852 for legal and other costs associated with this private placement.

(c) **Warrants**

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at October 31, 2022 and 2021 and the changes for the six months ended on those dates is as follows:

	2022		2021	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	10,081,278	0.35	8,231,278	0.36
Issued	-	-	1,875,000	0.30
Exercised	(1,712,000)	0.13	-	-
Expired	<u>(540,500)</u>	0.14	<u>-</u>	-
Balance, end of period	<u>7,828,778</u>	0.45	<u>10,106,278</u>	0.36

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at October 31, 2022:

Number	Exercise Price \$	Expiry Date
5,953,778	0.45	March 25, 2024*
<u>1,875,000</u>	0.30	October 15, 2024
<u>7,828,778</u>		

Effective July 18, 2022 the expiry date of 5,953,778 warrants was extended from September 25, 2022 to March 25, 2024.

(d) **Share Option Plan**

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During the six months ended October 31, 2022 the Company granted share options to purchase 485,000 (2021 - 340,000) common shares and recorded compensation expense of \$67,900 (2021 - \$57,400).

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6. Share Capital (continued)

The fair value of share options granted during the six months ended October 31, 2022 and 2021 was estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	<u>2022</u>	<u>2021</u>
Risk-free interest rate	3.89%	0.66% - 0.76%
Estimated volatility	108%	99% - 102%
Expected life	3 years	3 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

The weighted average measurement date fair value of all share options granted during the six months ended October 31, 2022, using the Black-Scholes Option Pricing Model, was \$0.14 (2021 - \$0.17) per option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at October 31, 2022 and 2021 and the changes for the six months ended on those dates, is as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Number of Options Outstanding</u>	<u>Weighted Average Exercise Price \$</u>	<u>Number of Options Outstanding</u>	<u>Weighted Average Exercise Price \$</u>
Balance, beginning of period	2,189,000	0.30	1,904,000	0.34
Granted	485,000	0.25	340,000	0.21
Expired / Cancelled	<u>(125,000)</u>	0.32	<u>(225,000)</u>	0.34
Balance, end of period	<u>2,549,000</u>	0.30	<u>2,019,000</u>	0.32

The following table summarizes information about the share options outstanding and exercisable at October 31, 2022:

Number	Exercise Price \$	Expiry Date
400,000	0.32	August 18, 2023
324,000	0.40	August 18, 2023
690,000	0.32	November 6, 2023
65,000	0.25	November 28, 2023
150,000	0.22	July 16, 2024
190,000	0.21	October 1, 2024
160,000	0.21	November 1, 2024
150,000	0.25	January 25, 2025
<u>420,000</u>	0.25	October 14, 2025
<u>2,549,000</u>		

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7. Related Party Transactions and Balances

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

The Company has determined that key management personnel consists of the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) of the Company. During the six months ended October 31, 2022 the Company incurred \$60,000 (2021- \$60,000) executive compensation with respect to the Company’s key management personnel. As at October 31, 2022 \$182,480 (April 30, 2022 - \$153,630) remained unpaid and has been included in accounts payable and accrued liabilities.

During the six months ended October 31, 2022 the Company also recorded \$14,000 share-based compensation for share options granted to key management personal.

(b) *Transactions with Other Related Parties*

(i) During the six months ended October 31, 2022 the Company incurred \$9,000 (2021 - \$6,000) for compensation to non-executive directors of the Company. As at October 31, 2022 \$39,963 (April 30, 2022 - \$42,713) remained unpaid and has been included in accounts payable and accrued liabilities.

During the six months ended October 31, 2022 the Company also recorded \$27,300 share-based compensation for share options granted to non-executive directors.

(ii) During the six months ended October 31, 2022 the Company incurred \$20,850 (2021 - \$15,900) for accounting and administration services provided by Chase Management Ltd. (“Chase”), a private company owned by the CFO of the Company. As at October 31, 2022 \$2,500 (April 30, 2022 - \$5,800) remained unpaid and has been included in accounts payable and accrued liabilities.

During the six months ended October 31, 2022 the Company also recorded \$10,500 share-based compensation for share options granted to Chase.

(iii) See also Notes 5(a) and 6(b).

8. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss (“FVTPL”); fair value through other comprehensive income (“FVOCI”); and amortized cost. The carrying values of the Company’s financial instruments are classified into the following categories:

Financial Instrument	Category	October 31, 2022 \$	April 30, 2022 \$
Cash	Amortized cost	1,447,601	1,782,915
Bond	Amortized cost	4,815	4,513
Accounts payable and accrued liabilities	Amortized cost	(294,466)	(258,775)

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

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8. Financial Instruments and Risk Management (continued)

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for cash and bond approximate their fair value.

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

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at October 31, 2022				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	1,447,601	-	-	-	1,447,601
Bond	-	-	4,815	-	4,815
Accounts payable and accrued liabilities	(294,466)	-	-	-	(294,466)
	Contractual Maturity Analysis at April 30, 2022				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	1,782,915	-	-	-	1,782,915
Bond	-	-	4,513	-	4,513
Accounts payable and accrued liabilities	(258,775)	-	-	-	(258,775)

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8. Financial Instruments and Risk Management (continued)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents bear floating rates of interest. The interest rate risk on cash and cash equivalents and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company maintains a US Dollar currency bank accounts to support the cash needs of its foreign operation. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At October 31, 2022, 1 Canadian Dollar was equal to 0.73 US Dollar.

Balances are as follows:

	US Dollars	CDN \$ Equivalent
Cash	61,384	84,087
Bond	3,528	4,815
Accounts payable and accrued liabilities	<u>(7,063)</u>	<u>(9,675)</u>
	<u>57,849</u>	<u>79,227</u>

Based on the net exposures as of October 31, 2022 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's comprehensive loss being approximately \$7,600 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties or evaluate business opportunities which may become available. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash equivalents. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

9. Supplemental Cash Flow Information

During the six months ended October 31, 2022 and 2021 non-cash activities were conducted by the Company as follows:

	2022 \$	2021 \$
Operating activities		
Depreciation	710	-
Accounts payable and accrued liabilities	<u>7,623</u>	<u>3,280</u>
	<u>8,333</u>	<u>3,280</u>
Investing activity		
Exploration and evaluation assets	<u>(8,333)</u>	<u>(3,280)</u>

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10. Segmented Information

Substantially all of the Company's operations are in one industry, the exploration for precious metals. As at October 31, 2022 the Company's mineral property interests are mainly located in the United States and its corporate assets are located in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results.

The Company's total assets are segmented geographically as follows:

	October 31, 2022		
	Corporate Canada \$	Mineral Operations USA \$	Total \$
Current assets	1,405,723	93,753	1,499,476
Exploration and evaluation assets	135,102	444,762	579,864
Equipment	37,781	37,782	75,563
Bond	-	4,815	4,815
	<u>1,578,606</u>	<u>581,112</u>	<u>2,159,718</u>
	April 30, 2022		
	Corporate Canada \$	Mineral Operations USA \$	Total \$
Current assets	1,812,610	24,457	1,837,067
Exploration and evaluation assets	63,232	252,919	316,151
Bond	-	4,513	4,513
	<u>1,875,842</u>	<u>281,889</u>	<u>2,157,731</u>