

# **CORTUS METALS INC.**

Consolidated Condensed Interim Financial Statements

For the nine months ended July 31, 2022 and 2021

(Expressed in Canadian Dollars)

To the shareholders of Cortus Metals Inc:

The consolidated condensed interim financial statements of Cortus Metals Inc. (the "Company") for the nine months ended July 31, 2022 and 2021 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors.

CORTUS METALS INC.  
Consolidated Condensed Interim Statements of Financial Position  
Expressed in Canadian Dollars

(unaudited)

As at	July 31, 2022	October 31, 2021
<b>Assets</b>		
Current		
Cash	\$ 6,871	\$ 72,270
Prepayments and deposits	109,685	121,289
Accounts receivable	-	10,086
Goods and services tax receivable	1,586	11,798
	<u>118,142</u>	215,443
Equipment	28,715	33,206
Right-of-use asset (note 9)	127,559	144,920
Exploration and evaluation properties (note 4)	5,325,153	4,651,069
	<u>\$ 5,599,569</u>	<u>\$ 5,044,638</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (note 8)	\$ 1,097,382	\$ 464,469
Current portion of lease liability (note 9)	21,474	23,606
Loans	18,300	18,300
	<u>1,137,156</u>	506,375
Long-term		
Long-term portion of lease liability (note 9)	110,472	123,729
	<u>1,247,628</u>	630,104
<b>Equity</b>		
Share capital (note 5)	6,156,777	5,703,409
Option and warrant reserve	178,440	172,440
Deficit	(1,983,276)	(1,461,315)
	<u>4,351,941</u>	4,414,534
	<u>\$ 5,599,569</u>	<u>\$ 5,044,638</u>

Going Concern (note 1)  
Subsequent Events (note 10)

Approved by the Board of Directors

Director (signed by) "John Williamson"

Director (signed by) "Sean Mager"

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

## CORTUS METALS INC.

## Consolidated Condensed Interim Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

*(unaudited)*

For the	three months ended		nine months ended	
	July 31 2022	July 31 2021	July 31 2022	July 31 2021
<b>Expenses</b>				
Advertising and promotion	\$ 145,961	\$ 169,168	\$ 309,593	\$ 219,414
Management consulting	16,500	32,250	49,500	103,750
Office and administration	29,429	16,807	77,410	56,864
Professional fees	19,868	27,927	59,688	54,465
Regulatory and filing fees	1,752	34,152	21,539	51,643
	<b>(213,510)</b>	<b>(280,304)</b>	<b>(517,730)</b>	<b>(486,136)</b>
<b>Other income</b>				
Interest (expense) income	80	545	(19)	3,500
Share-based compensation	-	-	(6,000)	(16,695)
<b>Net loss for the period</b>	<b>\$ (213,430)</b>	<b>\$ (279,759)</b>	<b>\$ (523,749)</b>	<b>\$ (499,331)</b>
<b>Other comprehensive loss</b>				
Gain on translation of foreign operations	3,607	-	1,788	2,098
<b>Comprehensive loss for the period</b>	<b>\$ (209,823)</b>	<b>\$ (279,759)</b>	<b>\$ (521,961)</b>	<b>\$ (497,233)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
Basic and diluted weighted average number of common shares outstanding	<b>47,545,338</b>	35,020,143	<b>47,545,338</b>	30,267,575

*The accompanying notes form an integral part of these consolidated condensed interim financial statements*

## CORTUS METALS INC.

## Consolidated Condensed Interim Statements of Changes in Equity

Expressed in Canadian Dollars

*(unaudited)*

	Share capital	Option and warrant reserve	Deficit	Total equity
<b>Balance at October 31, 2020</b>	<b>\$ 2,932,763</b>	<b>\$ 137,206</b>	<b>\$ (713,947)</b>	<b>\$ 2,356,022</b>
Shares issued for cash	1,275,100	-	-	1,275,100
Shares issued for property	708,750	-	-	708,750
Shares issued for debt settlement	288,700	-	-	288,700
Share issuance costs	(64,250)	-	-	(64,250)
Finders warrants issued	(13,189)	13,189	-	-
Share-based compensation	-	16,696	-	16,696
Net loss	-	-	(497,233)	(497,233)
<b>Balance at July 31, 2021</b>	<b>\$ 5,127,874</b>	<b>\$ 167,091</b>	<b>\$ (1,211,180)</b>	<b>\$ 4,083,785</b>
Shares issued for cash	609,291	(2,655)	-	606,636
Share issuance costs	(25,752)	-	-	(25,752)
Finders warrants issued	(8,004)	8,004	-	-
Net loss	-	-	(250,135)	(250,135)
<b>Balance at October 31, 2021</b>	<b>\$ 5,703,409</b>	<b>\$ 172,440</b>	<b>\$ (1,461,315)</b>	<b>\$ 4,414,534</b>
Advanced share subscription received	465,000	-	-	465,000
Share issuance costs	(11,632)	-	-	(11,632)
Share-based compensation	-	6,000	-	6,000
Net loss	-	-	(521,961)	(521,961)
<b>Balance at July 31, 2022</b>	<b>\$ 6,156,777</b>	<b>\$ 178,440</b>	<b>\$ (1,983,276)</b>	<b>\$ 4,351,941</b>

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

CORTUS METALS INC.  
Consolidated Condensed Interim Statements of Cash Flows  
Expressed in Canadian Dollars

(unaudited)

<b>For the nine months ended</b>	<b>July 31, 2022</b>	<b>July 31, 2021</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss for the period	\$ (521,961)	\$ (497,233)
Items not affecting cash:		
Share-based compensation	6,000	16,695
Changes in non-cash working capital:		
Goods and services tax receivable	10,212	2,396
Accounts receivable and prepayments	21,690	(204,457)
Accounts payable and accrued liabilities	634,885	57,756
Cash provided by (used in) operating activities	<u>150,826</u>	<u>(624,843)</u>
<b>Investing activities</b>		
Exploration and evaluation property acquisition payments (note 4)	-	(392,427)
Exploration and evaluation property exploration expenditures (note 4)	(668,664)	(1,381,903)
Purchase of equipment	(929)	-
Cash used in investing activities	<u>(669,593)</u>	<u>(1,774,330)</u>
<b>Financing activities</b>		
Proceeds from share issuance	-	1,275,100
Advanced share subscription received	465,000	-
Share issuance cost	(11,632)	(64,250)
Cash provided by financing activities	<u>453,368</u>	<u>1,210,850</u>
<b>Net decrease in cash</b>	<b>(65,399)</b>	<b>(1,188,323)</b>
Cash, beginning of period	<u>72,270</u>	<u>1,469,539</u>
<b>Cash, end of period</b>	<u>\$ 6,871</u>	<u>\$ 281,216</u>

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

## CORTUS METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended July 31, 2022 and 2021

Expressed in Canadian Dollars

*(unaudited)*

### 1. Nature of operations and going concern

Cortus Metals Inc. ("Cortus" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on June 25, 2018. The Company's common shares are listed for trading on the TSX Venture Exchange under the trading symbol "CRTS", on the OTCQB Venture Market under the trading symbol "CRTTF". The Company's head office is at 250 South Ridge NW, Suite 300, Edmonton, Alberta, T6H 4M9.

The Company's principal business activities include exploration and development of mineral resources in Nevada, USA. All of the Company's projects are considered to be in the exploration stage and the Company has not yet determined whether these properties contain mineral resources that are economically recoverable. The Company utilizes a modified "Project Generator" business model. Through research and early-stage exploration, the Company generates new exploration ideas, acquires mineral rights and performs exploration work to clearly identify drilling targets. Earn-in option agreements with third parties will fund drilling and more advanced exploration to earn an interest in the Company's properties.

On March 11, 2020, the World Health Organization ("WHO") declared coronavirus COVID-19 a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures will have a significant, negative effect on the economies of all nations for an undeterminable period of time. The specific impact of the pandemic on the Company's operations is not readily available at this time.

These consolidated condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable amount of time. At July 31, 2022, the Company had not generated revenues and had a working capital deficit of \$1,019,014 (October 31, 2021 – of \$290,932) and an accumulated deficit of \$1,983,276 (October 31, 2021 - \$1,461,315). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future, which indicate the existence of a material uncertainty that may cast significant doubts about the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

### 2. Basis of presentation

#### a) Statement of Compliance

These consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The accounting policies applied in preparation of these consolidated condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended October 31, 2021, unless otherwise stated.

#### b) Consolidated Condensed Interim Financial Statements

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Company on September 29, 2022.

These consolidated condensed interim financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and reporting currency of the Company.

CORTUS METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended July 31, 2022 and 2021

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These consolidated financial statements include the accounts of the Company, and its 100% controlled entities, Cortus Properties LLC and Intermont Resources LLC.

**3. Acquisition of Intermont Resources LLC ("Intermont")**

Pursuant to the option agreement executed May 28, 2020 (note 4), between the Company and the holders of the membership interest of Intermont, the Company exercised its right to acquire 100% ownership of Intermont in consideration of the issuance of 5,000,000 common shares. Under the terms of the Option Agreement, the Company will also grant to the members of Intermont a 2% net smelter return royalty on each of the properties owned by Intermont (the "Royalty"), subject to a buyback right in favor of the Company whereby the Company may acquire one half, being 1%, of any Royalty at any time prior day 180 days following the earlier of (i) a production decision on the property being made or (ii) commencement of commercial production (the "Buyback Deadline") for payment of US\$1,500,000, which payment may be made in cash or through the issuance of the Company's common shares at a deemed value equivalent to the 20 day volume-weighted average price up until 60 days following the Buyback Deadline.

Due to the fact that Intermont is an exploration stage, with no significant operations, no processes or outputs, and no demonstrated technical feasibility or commercial viability of the projects, the Company has accounted for this transaction as an asset acquisition. Accordingly, the assets acquired and liabilities assumed are measured at their fair values at the acquisition date unless they are not readily determinable, in which case the fair value of the share-based payments and other consideration issued is used. No goodwill is recognized and any acquisition-related costs are capitalized to the assets.

The amounts shown below represent the relative fair value of the net assets acquired on the effective date of the acquisition, which was June 24, 2021.

Purchase consideration:	
Shares issued in exchange for Intermont Shares (i)	\$ 675,000
Other transaction costs (ii)	4,997
	<u>\$ 679,997</u>
Assets acquired:	
Cash	\$ 409
Field equipment (note 7)	21,856
Mineral interests – Nevada Properties (note 5)	<u>960,982</u>
	983,247
Less: liabilities assumed:	
Short-term loans (iii)	<u>(303,250)</u>
<b>Total Purchase consideration</b>	<b><u>\$ 679,997</u></b>

(i) For accounting purposes, the common shares issued were recorded at \$0.135 per common share, representing the Company's share price on the date of issuance.

(ii) In addition to the common shares issued in consideration for the acquisition of Intermont, the Company incurred costs totaling \$4,997. These costs were incurred in the process of the acquisition and include fees relating to regulatory and legal fees.

(iii) Intermont had short-term debts due to arm's length creditors of \$303,250, concurrent with the acquisition of Intermont the Company agreed to settle these amounts with the issuance of 1,258,000 private placement units at \$0.15 per unit and cash of \$114,550 (\$96,250 paid).

#### 4. Exploration and evaluation properties

The Company's properties consists of 1,623 registered claims across ten core project and six prospective areas in the basins of northern Nevada.

##### *Grayson and Powerline*

On May 28, 2020 the Company executed a definitive purchase agreement (the "Agreement") to acquire an aggregate 100% interest in and to the Grayson and Powerline mineral exploration properties located in Nevada, USA from Intermont.

On August 28, 2020, the Company completed the transaction with Intermont, which constituted the Company's Qualifying Transaction as defined in Policy 2.4 of the Corporate Finance Manual of the TSXV.

Pursuant to the Agreement, Cortus acquired a 100% interest in the Properties by paying:

- i. cash payments of US \$304,400 in aggregate, of which US \$19,400 was paid during 2019 as a non-refundable deposit and US \$105,000 was advanced as a secured loan to Intermont (now forgiven as a result of the Agreement), and a remaining cash payment of US \$180,000 that was paid on the closing date;
- ii. the issuance of 1,000,000 common shares in the capital of the Company, issued at a value of \$200,000;
- iii. the grant of a 2.0% net smelter return royalty on each property (the "Royalty"), with buy out provisions for each of USD \$1,500,000 for 1.0%.

Cortus was also granted the right to acquire additional properties held by Intermont within a defined area of interest for a period of twenty-four (24) months for consideration of 200,000 common shares of the Company per additional property acquired.

Concurrent with the execution of the Agreement, the Company entered into a definitive two-year agreement with Intermont whereby it had the option to acquire 100% of Intermont's common shares in consideration for the issuance of 5,000,000 common shares, less any shares issued by the Company to acquire additional properties (note 4).

##### *Goldrun*

On September 17, 2020, the Company entered into a purchase option agreement with Fremont Gold Ltd. ("Fremont") to acquire 100% interest in 114 unpatented mining claims that are held by Fremont's wholly-owned subsidiary and a 50% interest in 95 claims that Fremont's wholly-owned subsidiary owns jointly with a third-party, collectively known as the Goldrun property, located in Nevada, USA. To complete the option, the Company paid \$20,000 in cash in the prior year 2020 and issued 250,000 common shares on December 18, 2020.

##### *Other Nevada Properties*

All interests still owned by Intermont that had not been previously acquired at the date of the Company's acquisition of Intermont described in note 3.

CORTUS METALS INC.

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Aggregate costs incurred by the Company on the Grayson, Powerline, Goldrun and Nevada Properties are summarized as follows:

	<u>Acquisition</u>	<u>Exploration</u>	<u>Total</u>
<b>Balance, October 31, 2021</b>	<b>\$ 2,845,426</b>	<b>\$ 1,805,643</b>	<b>\$ 4,651,069</b>
Analytics	-	69,154	69,154
Claims and land use	-	1,090	1,090
Depreciation	-	5,420	5,420
Fieldwork – General	-	232,436	232,436
Geological consulting	-	210,609	210,609
Overhead and management	-	96,597	96,597
Travel and support	-	51,776	51,776
<b>Balance, July 31, 2022</b>	<b>\$ 2,845,426</b>	<b>\$ 2,479,727</b>	<b>\$ 5,325,153</b>

**5. Share capital**

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

A summary of changes in common share capital in the period is as follows:

	<u>Number of shares</u>	<u>Amount</u>
<b>Balance at October 31, 2021</b>	<b>47,545,338</b>	<b>\$ 5,703,409</b>
Advanced share subscription received	-	465,000
Shares issuance costs	-	(11,632)
<b>Balance at July 31, 2022</b>	<b>47,545,338</b>	<b>\$ 6,156,777</b>

Escrowed common shares

Pursuant to the closing of the IPO on November 4, 2019, 5,600,000 common shares of the Company are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of the date of these consolidated condensed interim financial statements 2,520,000 common shares remained in escrow.

CORTUS METALS INC.

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b) Stock options

The Company's has a stock option plan (the "Plan") for directors, officers, employees, and consultants. The Plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company.

On December 2, 2021, the Company granted stock options to acquire up to an aggregate 150,000 common shares of the Company under the Plan, vesting immediately upon grant. The stock options are exercisable at a price of \$0.10 per common share and have an expiry date of December 2, 2022 or earlier in accordance with the terms of the Plan.

The estimated fair value of these options of \$6,000, or \$0.04 per option, has been recorded as share-based compensation expense in the current period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$0.11; expected life, 1 years; expected volatility, 96.57%; risk-free rate 0.93%; expected dividends, 0%.

A summary of stock option activity in the periods is as follows:

	Number of options	Weighted average exercise price
<b>Outstanding options, October 31, 2021</b>	<b>2,798,500</b>	<b>\$ 0.12</b>
Issued	150,000	0.10
<b>Outstanding options, July 31, 2022</b>	<b>2,948,500</b>	<b>\$ 0.12</b>

A summary of stock options outstanding and exercisable is as follows:

Exercise Price	Number of options	July 31, 2022	Exercise Price	Number of options	October 31, 2021
		Remaining contractual life (years)			Remaining contractual life (years)
\$ 0.10	150,000	0.3	\$ -	-	-
0.05	880,000	2.3	0.05	880,000	3.0
0.15	1,680,000	3.1	0.15	1,680,000	3.8
0.15	238,500	3.5	0.15	238,500	4.3
<b>\$ 0.12</b>	<b>2,948,500</b>	<b>2.7</b>	<b>\$ 0.12</b>	<b>2,798,500</b>	<b>3.6</b>

CORTUS METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements

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c) Warrants

A summary of share purchase warrant activity in the periods is as follows:

	Number of warrants	Weighted average exercise price
<b>Outstanding warrants, October 31, 2021 and July 31, 2022</b>	<b>25,362,292</b>	<b>\$ 0.15</b>

A summary of warrants outstanding and exercisable is as follows:

Exercise Price	Number of warrants	July 31, 2022	Exercise Price	Number of warrants	October 31, 2021	
		Remaining contractual life (years)			Remaining contractual life (years)	
\$ 0.15	17,050,004	1.6	0.20	17,050,004	0.8	i
0.20	609,818	0.1	0.20	609,818	0.8	
0.15	4,250,333	1.6	0.25	4,250,333	1.6	i
0.15	962,334	1.6	0.25	962,334	1.6	i
0.25	329,723	0.9	0.25	329,723	1.6	
0.15	2,000,000	1.6	0.25	2,000,000	0.8	i
0.25	160,080	0.1	0.25	160,080	0.8	
<b>\$ 0.15</b>	<b>25,362,292</b>	<b>1.6</b>	<b>\$ 0.22</b>	<b>25,362,292</b>	<b>1.0</b>	

- i) On March 16, 2022, the Company extended the expiry date of these warrants to March 16, 2024 and amended the exercise price to \$0.15.

6. Financial instruments and risk management

*Fair value of financial instruments*

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

As at July 31, 2022, the Company believes that the carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

CORTUS METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements

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*Financial instruments risk*

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 documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is defined as the risk of loss associated with counterparty's inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company's financial assets.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents. The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at July 31, 2022, the Company's financial liabilities consist of its accounts payable and accrued liabilities, which are all current obligations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal.

Classification of financial instruments

Financial assets included in the condensed interim statement of financial position are as follows:

	<b>July 31, 2022</b>	<b>October 31, 2021</b>
Financial asset at amortized cost		
Cash	\$ 6,871	\$ 72,270
Accounts Receivable	-	10,086
	<b>\$ 6,871</b>	<b>\$ 82,356</b>

Financial liabilities included in the condensed interim statement of financial position are as follows:

	<b>July 31, 2022</b>	<b>October 31, 2021</b>
Non-derivative financial liabilities		
Accounts payable and accrued liabilities	\$ 1,097,382	\$ 464,469
Lease liability	131,946	147,335
Loans	18,300	18,300
	<b>\$ 1,247,628</b>	<b>\$ 630,104</b>

CORTUS METALS INC.

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Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

**7. Equipment**

	<b>Furniture and Office</b>	<b>Field Equipment</b>	<b>Total</b>
<b>Balance, October 31, 2021</b>	<b>\$ 12,989</b>	<b>\$ 20,217</b>	<b>\$ 33,206</b>
Additions	2,789	6,474	9,263
Disposals	-	(8,334)	(8,334)
Depreciation	(1,775)	(3,645)	(5,420)
<b>Balance, July 31, 2022</b>	<b>\$ 14,003</b>	<b>\$ 14,712</b>	<b>\$ 28,715</b>

**8. Related party transactions**

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred fees to directors and officers for management and professional services as follows:

<b>For the nine months ended</b>	<b>July 31, 2022</b>	<b>July 31, 2021</b>
Management fees to key management and directors	\$ 49,500	\$ 103,750
Share based payments	-	16,695
	<b>\$ 49,500</b>	<b>\$ 120,445</b>

Related party balances

At July 31, 2022, accounts payable and accrued liabilities were \$61,425 (October 31, 2021 - \$45,259) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

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**9. Right-of-Use Asset/Lease Liability**

The Company's subsidiary, Intermont Resources LLC was the lessee to a premise lease. The incremental rate of borrowing for this lease was estimated by management to be 10% per annum.

(a) Right-of-Use Assets

As at July 31, 2022, right-of-use assets are recorded as follows:

As at October 31, 2021	\$	144,920
Depreciation		(17,361)
As at July 31, 2022	\$	<u>127,559</u>

(b) Lease Liabilities

As at July 31, 2022, lease liabilities are recorded as follows:

Present value of minimum lease payments	\$	131,946
Less current portion		(21,421)
Long-term portion	\$	<u>110,472</u>

**10. Subsequent Event**

Subsequent to July 31, 2022, the Company announced its intention to complete a non-brokered private placement financing of up to 63,400,000 units ("Units") at a price of \$0.03 per Unit to raise gross proceeds of up to \$1,902,000. Each Unit will consist of one (1) common share, and one (1) common share purchase warrant (the "Warrants"). Each whole Warrant will entitle the holder to purchase one (1) additional common share of the Company at an exercise price of \$0.05 per share for a period of five (5) years from the date or dates of closing of the Financing.

Subsequent to July 31, 2022, 769,898 finders warrants expired, unexercised.