



**(An Exploration Stage Corporation)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**

For the three and nine months ended  
September 30, 2023 and 2022

(Unaudited – prepared by management)

**NOTICE OF NO AUDITOR REVIEW**

The accompanying unaudited condensed interim financial statements have been prepared by management.

The company's independent auditors have not performed a review of these 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.

**OMINECA MINING AND METALS LTD.**  
**(An Exploration Stage Corporation)**  
**STATEMENTS OF FINANCIAL POSITION**  
**(Expressed in Canadian dollars)**

	<b>September 30</b>	<b>December 31</b>
	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 1,762,699	\$ 119,437
Accounts receivable (Note 10)	281,402	317,328
Prepaid expense	63,128	71,161
Current investments (Note 3)	5,741	10,398
	2,112,970	518,324
<b>Reclamation bonds</b> (Note 11)	100,000	100,000
<b>Property and equipment</b> (Note 4)	176,045	226,633
<b>Exploration and evaluation assets</b> (Note 5)	15,282,567	14,856,792
	\$ 17,671,582	\$ 15,701,749
<b>Liabilities and Shareholders' Equity (Deficit)</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 10)	\$ 539,721	\$ 824,881
	539,721	824,881
<b>Long term liabilities</b>	255,424	255,424
<b>Decommissioning provision</b> (Note 11)	65,000	65,000
<b>Debenture payable</b> (Note 6)	9,969,034	9,376,623
	10,829,179	10,521,928
<b>Shareholders' equity (deficit)</b>		
Share capital (Note 7)	29,587,202	26,733,624
Equity component of convertible debenture (Note 6)	1,234,733	1,234,733
Contributed surplus (Note 7)	3,397,625	2,959,202
Deficit	(27,377,157)	(25,747,738)
	6,842,403	5,179,821
	\$ 17,671,582	\$ 15,701,749

**Nature and continuance of operations** (Note 1)

**Commitments and contingencies** (Note 11)

**Approved on behalf of the Board:**

"Tom MacNeill" Director  
Mr. Tom MacNeill (Signed)

"Andrew Davidson" Director  
Mr. Andrew Davidson (Signed)

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

**OMINECA MINING AND METALS LTD.**  
**(An Exploration Stage Corporation)**  
**STATEMENTS OF COMPREHENSIVE LOSS**  
**(Expressed in Canadian dollars)**

	Three Months Ended Sep 30		Nine Months Ended Sep 30	
	2023	2022	2023	2022
<b>Operating Expenses</b>				
Administration costs	\$ 151,219	\$ 150,224	\$ 449,774	\$ 463,811
Accretion expense	36,005	31,992	104,901	93,208
Professional fees (Note 11)	2,507	8,405	28,819	50,882
Public company costs	7,699	5,122	30,438	28,255
Trade shows, travel and promotion	37,477	40,627	132,321	133,573
<b>Net Loss from operating expenses</b>	<b>234,907</b>	236,370	<b>746,253</b>	769,729
Depreciation	-	-	-	2,894
Share-based payments (Note 8)	269,500	-	269,500	201,500
<b>Net Loss before other items</b>	<b>(504,407)</b>	(236,370)	<b>(1,015,753)</b>	(974,123)
<b>Other items</b>				
Other income – interest	3,500	-	3,500	-
Unrealized (loss) gain on investments (Note 3)	(833)	(12,222)	(4,657)	(25,871)
Interest expense	(207,138)	(195,566)	(612,509)	(575,225)
<b>Comprehensive loss for the period</b>	<b>\$(708,878)</b>	\$(444,158)	<b>\$(1,629,419)</b>	\$(1,575,219)
<b>Loss per share – basic and diluted (Note 10)</b>	<b>\$(0.00)</b>	\$(0.00)	<b>\$(0.01)</b>	\$(0.01)
<b>Weighted average number of shares – basic and diluted (Note 10)</b>	<b>178,034,575</b>	136,586,901	<b>167,857,435</b>	136,557,231

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

**OMINECA MINING AND METALS LTD.**  
**(An Exploration Stage Corporation)**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)**  
**(Expressed in Canadian dollars)**

	Share Capital		Equity component of convertible debenture	Contributed surplus	Warrant reserve	Deficit	Total
	Shares	Amount		Share-based payments			
<b>Balance, December 31, 2021</b>	<b>136,436,901</b>	<b>25,997,327</b>	<b>1,234,733</b>	<b>2,750,902</b>	<b>13,550</b>	<b>(23,671,885)</b>	<b>6,324,627</b>
Share issuance – stock options exercised	150,000	14,250	-	(6,750)	-	-	7,500
Share-based payments	-	-	-	201,500	-	-	201,500
Comprehensive Loss for the period	-	-	-	-	-	(1,575,219)	(1,575,219)
<b>Balance, September 30, 2022</b>	<b>136,586,901</b>	<b>26,011,577</b>	<b>1,234,733</b>	<b>2,945,652</b>	<b>13,550</b>	<b>(24,247,104)</b>	<b>4,958,408</b>
<b>Balance, December 31, 2022</b>	<b>145,961,900</b>	<b>26,733,624</b>	<b>1,234,733</b>	<b>2,945,652</b>	<b>13,550</b>	<b>(25,747,738)</b>	<b>5,179,821</b>
Share issuance – private placements	29,272,675	3,219,994	-	-	-	-	3,219,994
Share issue costs	-	(337,493)	-	-	-	-	(337,493)
Share issuance – stock option exercise	2,800,000	266,000	-	(126,000)	-	-	140,000
Broker warrants	-	(294,923)	-	294,923	-	-	-
Share-based payments	-	-	-	269,500	-	-	269,500
Comprehensive Loss for the period	-	-	-	-	-	(1,629,419)	(1,629,419)
<b>Balance, September 30, 2023</b>	<b>178,034,575</b>	<b>\$29,587,202</b>	<b>\$1,234,733</b>	<b>\$3,384,075</b>	<b>\$13,550</b>	<b>\$(27,377,157)</b>	<b>\$6,842,403</b>

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

**OMINECA MINING AND METALS LTD.**  
**(An Exploration Stage Corporation)**  
**STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)

**For the nine months ended September 30**

**2023**

**2022**

**Cash flows used in operating activities**

Loss for the period	<b>\$ (1,629,419)</b>	\$ (1,575,219)
Adjustment for:		
Depreciation	-	2,894
Accretion expense	<b>104,901</b>	93,208
Interest expense	<b>612,510</b>	575,195
Unrealized loss on investments	<b>4,657</b>	25,871
Share-based payments	<b>269,500</b>	201,500
	<b>(637,851)</b>	(676,551)

Changes in non-cash working capital items

Increase in accounts receivable	<b>35,926</b>	(60,978)
(Increase) decrease in prepaid expense	<b>8,033</b>	(8,301)
Decrease in accounts payable and accrued liabilities and long-term liabilities	<b>155,617</b>	(34,241)
	<b>(438,275)</b>	(780,071)

**Cash flows used in investing activities**

Purchase property and equipment	-	(2,500)
Exploration and evaluation expenditures, net of tax credit	<b>(815,964)</b>	(533,610)
	<b>(815,964)</b>	(536,110)

**Cash flows from financing activities**

Proceeds from shares issued – private placements	<b>3,219,994</b>	-
Proceeds from shares issued – stock options exercised	<b>140,000</b>	7,500
Debenture repayment	<b>(125,000)</b>	-
Share issue costs	<b>(337,493)</b>	-
	<b>2,897,501</b>	7,500

**Decrease in cash and cash equivalents**

**1,643,262** (1,308,681)

Cash and cash equivalents, beginning of period

**119,437** 1,352,859

**Cash and cash equivalents, end of period**

**\$ 1,762,699** \$ 44,178

The Company made no cash payments for income taxes and paid \$nil in interest (2022 - \$nil).  
The Company received cash payments of \$nil (2022 - \$nil) for interest in the year.  
See Note 13 for Supplemental Cash Flow Information.

**September 30, 2023 and 2022**

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## **1. Nature and Continuance of Operations**

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Omineca Mining and Metals Ltd. (the "Company", "OMM" or "Omineca") was incorporated on March 15, 2011, pursuant to the Alberta Business Corporation Act (Alberta), and is extra-provincially registered in the Yukon and British Columbia. The Company is a junior resource company holding properties in British Columbia and the Yukon for the purpose of exploring for, and the development of mineral resources. As the Company has not commenced production on any of its mining properties the Company is an exploration stage company. The ultimate parent company is 49 North Resources Inc. ("49 North"), who owns 25.5% (2022 – 31.1%) of the share capital of the Company and is the ultimate controlling party.

The Company's corporate office and principal place of business is Suite 602, 224-4<sup>th</sup> Avenue South, Saskatoon, Saskatchewan, Canada.

Effective December 31, 2022, the Company dissolved its wholly-owned subsidiary, CVG Mining Ltd. ("CVG"). The financial statements incorporate the transactions and records of CVG until dissolution date.

Management believes the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. During the year, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations. These material uncertainties cast a substantial doubt regarding the Company's ability to continue as a going concern. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. These audited financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

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## **2. Basis of Preparation**

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### **(a) Statement of Compliance**

These unaudited condensed interim financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2022.

These unaudited condensed interim financial statements were authorized for issue by the Company's Board of Directors on November 29, 2023.

### **(b) Basis of Measurement**

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL") and at fair value through other comprehensive income ("FVOCI") which are stated at their fair value. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These unaudited condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

**OMINECA MINING AND METALS LTD.**  
**(An Exploration Stage Corporation)**  
**Notes to the Financial Statements**  
**(Expressed in Canadian dollars)**

**September 30, 2023 and 2022**

**3. Current Investments**

The Company holds securities that have been designated as FVTPL as follows:

	<b>September 30, 2023</b>		December 31, 2022	
	<b>Fair Value</b>	<b>Cost</b>	Fair Value	Cost
<b>Current:</b>				
Common shares in public companies	<b>\$ 5,741</b>	<b>\$ 56,597</b>	\$ 10,398	\$ 56,597

For securities traded in an active market, fair value is based on the quoted closing bid prices of the securities at September 30, 2023 and December 31, 2022. Cost is calculated using the quoted closing bid price on the date of receipt of the securities.

The Company recorded unrealized loss of \$4,657 (2022 – loss of \$nil) in the period.

**4. Property and Equipment**

<b>Cost</b>	<b>Excavation Equipment</b>	<b>Furniture Fixtures &amp; Equipment</b>	<b>Vehicles</b>	<b>Total</b>
Balance at December 31, 2021	\$562,248	\$ 42,552	\$17,850	\$622,650
Additions	-	2,500	-	2,500
Balance at December 31, 2022	562,248	45,052	17,850	625,150
Additions	-	-	-	-
<b>Balance at September 30, 2023</b>	<b>\$562,248</b>	<b>\$ 45,052</b>	<b>\$17,850</b>	<b>\$625,150</b>
<b>Accumulated Depreciation</b>				
Balance at December 31, 2021	\$271,033	\$ 13,217	\$17,627	\$301,877
Depreciation	89,159	7,258	223	96,640
Balance at December 31, 2022	360,192	20,475	17,850	398,517
Depreciation	45,463	5,125	-	50,588
<b>Balance at September 30, 2023</b>	<b>\$405,655</b>	<b>\$ 25,600</b>	<b>\$17,850</b>	<b>\$449,105</b>
<b>Carrying Value</b>				
At December 31, 2022	\$202,056	\$ 24,577	\$ -	\$226,633
<b>At September 30, 2023</b>	<b>\$156,593</b>	<b>\$ 19,455</b>	<b>\$ -</b>	<b>\$176,045</b>

During the period ended September 30, 2022, the Company expensed \$nil (2022 - \$2,894) to profit or loss and capitalized \$50,588 (2022 - \$49,052) to exploration and evaluation assets.

**OMINECA MINING AND METALS LTD.**  
**(An Exploration Stage Corporation)**  
**Notes to the Financial Statements**  
**(Expressed in Canadian dollars)**

**September 30, 2023 and 2022**

**5. Exploration and Evaluation Assets**

The Company has classified its exploration and evaluation properties into two geographical locations, namely British Columbia and the Yukon. The following is a summary of the properties:

	British Columbia			Yukon		Total
	Abo	Fraser Canyon	Mouse Mountain	Wingdam	Kiwi	
December 31, 2021	\$1	\$ 126,742	\$500,992	\$13,036,001	\$ 1	\$13,663,737
Acquisition and renewal	-	50,250	1,244	7,352	-	58,846
Exploration costs	-	-	-	1,040,463	-	1,040,463
Depreciation	-	-	-	93,746	-	93,746
December 31, 2022	1	176,992	502,236	14,177,562	1	14,856,792
Acquisition and renewal	-	45,025	7,100	10,500	-	62,625
Exploration costs	-	-	-	312,562	-	312,562
Depreciation	-	-	-	50,588	-	50,588
<b>September 30, 2023</b>	<b>\$1</b>	<b>\$222,017</b>	<b>\$509,336</b>	<b>\$14,551,212</b>	<b>\$1</b>	<b>\$15,282,567</b>

<b>2023</b>	Wingdam	Mouse Mountain	Total
Tenure and permits	\$ 1,323	\$ -	\$ 1,323
Analytical	29,045	-	29,045
Environmental	6,537	-	6,537
Geological	128,651	-	128,651
Personnel	45,000	-	45,000
Travel and accommodation	18,743	-	18,743
Equipment rental and other	83,263	-	83,263
	<b>\$ 312,562</b>	<b>\$ -</b>	<b>\$ 312,562</b>

<b>2022</b>	Wingdam	Mouse Mountain	Total
Tenure and permits	\$ 1,323	\$ -	\$ 1,323
Analytical	25,658	-	25,658
Drilling	167,515	-	167,515
Environmental	17,192	-	17,192
Geological	320,801	-	320,801
Geophysical	73,979	-	73,979
Personnel	43,080	-	43,080
Travel and accommodation	36,995	-	36,995
Equipment rental and other	219,671	-	219,671
	<b>\$ 906,214</b>	<b>\$ -</b>	<b>\$ 906,214</b>

**September 30, 2023 and 2022**

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## **5. Exploration and Evaluation Assets – continued**

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As at September 30, 2023 and December 31, 2022, the Company has executed option agreements with third parties on the following projects:

### BC Projects

#### **Wingdam Project**

The Company entered into an option agreement to acquire a 100% interest in certain placer claims and mineral leases (the “Wingdam Project”) in the province of British Columbia. As part of the option agreement, \$2,500,000 was paid and consequently the Company owns 100% of the mineral rights on property, subject to a 1% net smelter royalty payable to the vendor. The Company has the ability to acquire the rights to the net smelter royalties from the vendor at any time for an amount of \$1,000,000. This property is collateralized for the convertible debenture (note 7).

The Wingdam project is currently permitted under a BC Ministry of Natural Resource Operations permit and a BC Ministry of Environment Effluent Discharge permit, and has been under care and maintenance since September 25, 2012. On January 21, 2015 the Company received an amendment to its Wingdam Project Mines Act permit from the BC Ministry Of Energy and Mines.

In February 2019, the Company entered into a letter of Agreement whereby an arm’s length private company (the “Partner”) will earn a 50% interest in place claims contained within the Wingdam Project in exchange for incurring 100% of the preparatory costs required to commence an initial 300 meter bulk sample at the property. During 2022, the Partner earned its interest in the Wingdam property and was granted its 50% interest in the placer claims, as underground operations had begun. Under the terms of the Joint Venture, the Partner is required to complete all mining activities related to placer claims at Wingdam in exchange for half of the gold that is recovered. The Company is still responsible for continued operations relating to the hard rock claims. Further, the Partner will charge Omineca a fixed price of \$850 per ounce of gold.

In March 2021, the Company entered into a Purchase and Sale Agreement to purchase certain properties related to the Wingdam project (including lands and leases) for exploration activities. As part of the consideration, OMM is to make purchase price of \$125,000, payable as follows:

- i. \$50,000 payable on signing (paid);
- ii. \$50,000 payable on the one-year anniversary of signing (paid); and
- iii. \$25,000 payable on the second-year anniversary of signing.

#### **Fraser Canyon Project**

The Company entered into an option agreement to acquire a 100% interest in certain placer claims and mineral leases (the “Fraser Canyon Project”) in the province of British Columbia. As part of the option agreement, the Company paid \$30,000 and consequently owns 100% of the mineral rights of the property, subject to a 2.5% net smelter royalty payable to the vendor. The Company has the ability to acquire the rights to the net smelter royalties from the vendor at any time for an amount of \$250,000.

#### **Mouse Mountain Project**

The Company entered into an option agreement to acquire a 50% interest in the project in the province of British Columbia. As part of the option agreement, the Company issued 300,000 shares and is required to drill 2,000 meters on the project. During the year ended December 31, 2021, the Company completed its drilling and has earned its 50% interest in the project.

**September 30, 2023 and 2022**

**6. Convertible Debenture**

The Company has a convertible debenture with 49 North. The debenture was amended on September 19, 2016 extending the maturity by three years to October 1, 2021 (previously October 1, 2018). In the event commercial production has not been achieved for an aggregate period of 24 months, at the maturity date this debenture will automatically renew for an additional term of 5 years.

Under the amended debenture, 49 North can convert the principal amount into common shares of Omineca at a conversion price of \$0.20 per common share prior to October 1, 2017; \$0.50 per common share on or after October 1, 2017 but prior to October 1, 2018; and \$0.75 per common share on or after October 1, 2018 (previously \$1.25 after October 1, 2015). The debenture bears interest of 8% per annum, calculated and compounded monthly and is payable upon maturity at October 1, 2021. Accrued interest on the amended debenture is also convertible at a conversion price equal to the greater of the minimum price per common share permitted by the TSXV and the prevailing conversion price applicable to the principal amount at the time of conversion.

The change in terms of the debt resulted in less than a 10% change in cash flows, therefore it was considered a modification of the original debt, rather than an extinguishment of the old debt and the recognition of a new debt.

Payments against principal and interest are required in the event ore sales are generated. 49 North holds a fixed and specific first ranking mortgage, assignment and charge in the Wingdam property.

The convertible debenture has been classified into its separate debenture liability and equity portions in the Company's audited financial statements by the fair value method using an effective interest of 9.76% when valuing the liability first. This resulted in an initial amount of \$5,019,984 being allocated to the liability portion and \$303,244 being allocated to the equity portion. The carrying value of the debenture will be accreted up to its face value over the term to maturity.

As commercial production has not commenced, the maturity date had been extended in October 2021 for five years and the balance remains in long-term liabilities. The convertible debenture is valued by the fair value method using an effective interest of 11.88% on renewal date and the new carrying valuing of the convertible debt is accreted up to its face value over the term of the new maturity. On renewal date, \$786,617 was allocated to the equity portion using Black-Scholes Option pricing model. Assumptions used in the pricing model for the year are as follows: share price on renewal date of \$0.17, risk-free interest rate of 1.13%, expected life of 5 years, annualized volatility 116.78% determined by reference to the Company's historical trading prices, and dividend rate of nil.

	<b>September 30 2023</b>	December 31 2022
Original face value of convertible debenture	<b>\$5,400,000</b>	\$5,400,000
Less: equity portion of convertible debenture	<b>(144,872)</b>	(144,872)
Add: accretion	<b>68,100</b>	68,100
Carrying amount of convertible debenture at amendment date	<b>5,323,228</b>	5,323,228
Less: equity portion of amended convertible debenture	<b>(1,089,861)</b>	(1,089,861)
Add: accretion	<b>640,353</b>	535,452
Add: accrued interest	<b>6,354,971</b>	5,742,461
Less: repayments	<b>(1,259,657)</b>	(1,134,657)
	<b>\$9,969,034</b>	\$9,376,623
	<b>Nine months ended September 30,</b>	
	<b>2023</b>	2022
Accretion expense	<b>\$ 104,901</b>	\$ 93,208
Accrued interest	<b>612,509</b>	575,195
	<b>\$ 717,410</b>	\$ 668,403
Amounts expensed in profit and loss	<b>\$ 717,410</b>	\$ 668,403

**September 30, 2023 and 2022**

**7. Equity Instruments**

a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of first and second preference shares without nominal or par value, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

b) Issued and outstanding

At September 30, 2023, there were 178,034,575 (2022 – 145,961,900) shares issued and outstanding.

On November 16, 2022, the Company closed a non-brokered private placement, selling 9,374,999 non-flow-through units at a price of \$0.08 per unit for gross proceeds of \$750,000. Each unit consisted of a non-flow-through common share and one non-flow-through common share purchase warrant, each warrant exercisable at \$0.12 for a 24 month period. A finder's fee of \$11,580 cash was paid to third parties and the Company incurred other share issue costs of \$16,373, in total.

On March 23 2023, the Company closed a brokered private placement, selling 29,272,675 flow-through units at a price of \$0.11 per unit for gross proceeds of \$3,219,994. Each unit consisted of a flow-through common share and one non-flow-through common share purchase warrant, with each warrant exercisable at \$0.14 for a 36 month period. A finder's fee of \$193,940 cash was paid to a third party and the Company issued 1,763,092 broker warrant units. Each broker warrant unit is exercisable at a price of \$0.11 and consists of one common share and one warrant.

c) Stock Option Plan

The Company has a stock option plan for employees, directors, officers and consultants (the "Option Plan"). Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price and vesting period of options granted is not less than the market price of the common shares traded less the available discount under TSX Venture Exchange Inc. policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

As at September 30, 2023 and December 31, 2022, the Company has the following stock options activities:

Total issued and outstanding	Number of Options	Exercise Price per Share Range	Weighted Average Exercise Price	Weighted Average Remaining Life
Balance, December 31, 2021	11,950,000	\$ 0.05 - \$0.33	\$ 0.17	4.49 years
Granted	1,300,000	0.20	0.20	
Exercised	(150,000)	0.05	0.05	
Balance, December 31, 2022	13,100,000	0.05 - 0.33	0.18	3.53 years
Exercised	(2,800,000)	0.05	0.05	
Granted	5,500,000	0.07	0.07	
<b>Balance, September 30, 2023</b>	<b>15,800,000</b>	<b>\$ 0.05 - \$0.33</b>	<b>\$ 0.14</b>	<b>3.36 years</b>

The weighted average share price on the date of exercises was \$0.085 (2022 – \$0.165).

**September 30, 2023 and 2022**

**7. Equity Instruments – continued**

As at September 30, 2023, the following table summarizes information about stock options outstanding:

Options Outstanding	Exercise Price	Expiry Date	Number of Options Currently Exercisable
800,000	\$ 0.05	May 15, 2028	800,000
2,550,000	\$ 0.08	May 3, 2024	2,550,000
400,000	\$ 0.25	May 31, 2026	400,000
2,100,000	\$ 0.25	July 26, 2026	2,100,000
3,150,000	\$ 0.33	December 11, 2025	3,150,000
1,300,000	\$ 0.20	January 13, 2027	1,300,000
5,500,000	\$ 0.07	September 27, 2028	5,500,000
<b>15,800,000</b>			<b>15,800,000</b>

d) Compensation expense for share options

During the period ended September 30, 2023, \$269,500 (2022 - \$201,500) was recorded as share-based payments for options granted and vested in the year. Share-based payments are determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period, which all options vested immediately when granted.

On January 13, 2022, the board of directors of the Corporation approved the grant of 1,300,000 stock options pursuant to the Option Plan. 300,000 of the options were granted to directors and executive officers with the balance granted to employees and consultants. The options are exercisable at \$0.20 per share, vest immediately and, if not exercised, expire January 13, 2027, subject to earlier expiration in accordance with the Option Plan and applicable policies of the TSX-V.

The value of options issued on January 13, 2022, using the Black-Scholes option pricing model, was \$201,500 (\$0.155 per option) which was allocated to the share-based payments with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: share price on grant date of \$0.185, risk-free interest rate of 1.63%, expected life of 5 years, annualized volatility 125.39% determined by reference to the Company's historical trading prices, and dividend rate of nil.

On September 27, 2023, the board of directors of the Corporation approved the grant of 5,500,000 stock options pursuant to the Option Plan. 2,500,000 of the options were granted to directors and executive officers with the balance granted to employees and consultants. The options are exercisable at \$0.07 per share, vest immediately and, if not exercised, expire September 27, 2028, subject to earlier expiration in accordance with the Option Plan and applicable policies of the TSX-V.

The value of options issued on September 27, 2023, using the Black-Scholes option pricing model, was \$269,500 (\$0.049 per option) which was allocated to the share-based payments with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: share price on grant date of \$0.06, risk-free interest rate of 4.15%, expected life of 5 years, annualized volatility 116.17% determined by reference to the Company's historical trading prices, and dividend rate of nil.

**September 30, 2023 and 2022**

**7. Equity Instruments – continued**

(e) Warrants outstanding

As at September 30, 2023, the Company has the following warrants outstanding:

Total issued and outstanding	Number of Warrants	Exercise Price per Share Range	Weighted Average Remaining Life
Balance, December 31, 2021	23,165,091	\$ 0.20 – 0.25	0.79 years
Issued	9,374,999	0.12	
Balance, December 31, 2022	33,165,090	0.12 – 0.35	1.01 years
Issued	29,272,675	0.14	
Expired	(11,166,000)	0.20	
<b>Balance, September 30, 2023</b>	<b>51,271,765</b>	<b>\$ 0.12 – 0.35</b>	<b>2.30 years</b>

During the year ended December 31, 2022, the expiry dates on 9,499,091 warrants were extended to November 25, 2023, 3,633,333 warrants were extended to April 27, 2023 and 7,532,667 warrants were extended to May 21, 2023, the April and May warrants expired unexercised.

(f) Agent options outstanding

As at September 30, 2023, the Company has the following agent options outstanding:

Total issued and outstanding	Number of Options	Exercise Price per Share Range	Weighted Average Remaining Life
<b>Balance, December 31, 2021 and December 31, 2022</b>	<b>1,204,872</b>	<b>\$ 0.28</b>	<b>0.90 years and 0.90 years</b>
Issued	1,763,092	\$ 0.11	
<b>Balance, September 30, 2023</b>	<b>2,967,964</b>	<b>\$ 0.11 – 0.28</b>	<b>1.39 years</b>

In the year ended December 31, 2022, the expiry dates on 1,204,873 agent options were extended to November 25, 2023. They expired unexercised after the reporting period.

The value of the agent options issued on March 23, 2023, using the Black-Scholes option pricing model, was \$294,923, which was allocated to contributed surplus and an increase in share issue costs. Weighted average assumptions used in the pricing model for the year are as follows: share price on grant date of \$0.12, risk-free interest rate of 3.46%, expected life of 3 years, annualized volatility 104.38% determined by reference to the Company's historical trading prices, and dividend rate of nil.

(g) Broker warrants outstanding

As at September 30, 2023, the Company has the following broker warrants outstanding:

Total issued and outstanding	Number of Warrants	Exercise Price per Share Range	Weighted Average Remaining Life
<b>Balance, December 31, 2022 and September 30, 2023</b>	<b>371,875</b>	<b>\$ 0.16</b>	<b>0.99 years and 0.25 years</b>

The value of the broker warrants issued on December 29, 2021, using the Black-Scholes option pricing model, was \$47,600, which was allocated to contributed surplus and an increase in share issue costs. Weighted average assumptions used in the pricing model for the year are as follows: share price on grant date of \$0.16, risk-free interest rate of 0.95%, expected life of 2 years, annualized volatility 110.96% determined by reference to the Company's historical trading prices, and dividend rate of nil.

**September 30, 2023 and 2022**

**8. Income Taxes**

Non-capital losses available at December 31, 2022 can be carried forward twenty years, and begin to expire in 2028. As at December 31, 2022, the Company has estimated non-capital tax losses of \$10,122,000 (2021 - \$8,238,000).

**9. Per Share Amounts**

The calculation of per share amounts are based on the weighted average number of shares outstanding during the period ended September 30, 2023 of 167,857,435 (September 30, 2022 – 136,557,231) shares.

The net effect of applying the treasury-stock method to the weighted average number of shares outstanding has an anti-dilutive effect for the periods ended September 30, 2023 and 2022.

**10. Related Party Transactions**

The Company was involved in the following related party transactions during the period:

- (a) The Company has a convertible debenture with accrued interest with 49 North. During the period ended September 30, 2023 the Company accrued \$612,509 (2022 - \$575,195) in interest expense and \$104,901 (2022 - \$93,208) in accretion expense, which have been expensed.
- (b) During the period ended September 30, 2023, the Company incurred rent of \$36,000 (2022 - \$36,000), which is included in administration costs. At September 30, 2023, \$9,749 (2022 - \$53,727) is included in accounts receivable from a company with a common parent company.

Compensation to key management personnel in the nine month periods ended September 30:

	<b>2023</b>	<b>2022</b>
Consulting and management fees	<b>\$ 270,000</b>	\$ 270,000
Share-based payments	<b>122,500</b>	46,500
	<b>\$ 392,500</b>	<b>\$ 316,500</b>

- (c) Included in administration costs is \$180,000 (2022 - \$180,000) paid or accrued for consulting fees to a company controlled by a director and officer of the Company. At September 30, 2023, \$42,000 (2022 - \$21,000) is included in accounts payable and accrued liabilities.
- (d) Included in administration costs is \$90,000 (2022 - \$90,000) paid or accrued for consulting fees to a company controlled by a director and officer of the Company. At September 30, 2023, \$nil (2022 - \$10,500) is included in accounts payable and accrued liabilities.
- (e) The Company granted 2,500,000 (2022 – 300,000) options in the period to directors and officers of the Company and recorded share-based payments of \$122,500 (2022 – \$46,500). The options are exercisable at \$0.07 (2022 - \$0.20) and expire September 27, 2028 (2022 - January 13, 2027).

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties.

The amounts owed and owing are unsecured, non-interest bearing, with no fixed terms of repayment.

**September 30, 2023 and 2022**

**11. Commitments and Contingencies**

The Company has \$100,000 (2022 - \$100,000) held as project reclamation deposits in favor of regulatory authorities. The amount of the deposit is determined at the time the exploration program is planned and a notice of work is submitted to the regulatory authority. If the work is more extensive than previously planned, the amount of the deposit will be increased. When reclamation work is completed on a project to the satisfaction of the regulatory authority, the deposit is released to the Company.

As at September 30, 2023 and December 31, 2022, the Company has recorded a \$65,000 provision for reclamation activities related to the Wingdam project. The timing of the reclamation activities cannot be estimate at this time, and will be performed upon the completion of the development of the project.

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevent the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiaries of such an indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification.

During the period ended September 30, 2023, the Company closed a flow-through financing and recorded a premium received on flow-through shares in the amount of \$nil and is required to expend \$3,219,994 before December 31, 2024. As at September 30, 2023 the Company has expended \$246,745.

**12. Financial Instruments**

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – quoted prices (unadjusted) 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 (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

<b>September 30, 2023</b>	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 1,762,699	\$ -	\$ -	\$ 1,762,699
Current Investments	\$ 5,741	\$ -	\$ -	\$ 5,741
<hr/>				
December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 119,437	\$ -	\$ -	\$ 119,437
Current Investments	\$ 10,398	\$ -	\$ -	\$ 10,398

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk, credit risk, currency risk, price risk, commodity price risk and liquidity risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

**September 30, 2023 and 2022**

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## **12. Financial Instruments – continued**

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a) Concentration risk

At September 30, 2023, all of the Company's cash and cash equivalents were held at two recognized Canadian national financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions. Concentration risk also exists in marketable securities (investments) because the Company's investments are primarily in shares of junior resource companies involved in gold exploration.

b) Credit risk

The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness. The maximum credit exposure associated with accounts receivable is \$91,200 (2022 - \$134,927).

c) Currency risk

Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at September 30, 2023, the Company has no monetary assets or liabilities in foreign currencies.

d) Price risk

The Company's investments designated as FVTPL and are traded on the TSX Venture Exchange. A 1% change in the quoted share price would not significantly impact the fair value of the investments. The change would be recorded in profit or loss.

e) Commodity price risk

The value of the Company's exploration and evaluation resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

f) Liquidity risk

The Company has a working capital surplus of \$1,573,249 at September 30, 2023 (December 31, 2022 – deficiency of \$306,557) which is not sufficient to meet long term business requirements when taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. Future operations or exploration programs will require additional financing primarily through equity markets, or through joint venture partnerships.

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## **13. Supplemental Cash Flow Information**

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Non-cash investing and financing activities:

Included in exploration and evaluation assets are \$159,347 (2022 - \$nil) in acquisition costs in accounts payable and accrued liabilities.

The Company recognized \$294,923 (2022 - \$nil) for the fair value of broker warrants issued during the period.

**September 30, 2023 and 2022**

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#### **14. Capital Management**

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The Company includes cash and cash equivalents and equity, comprising of issued common shares, equity component of convertible debenture, contributed surplus, and deficit, in the definition of capital. 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, exploration and development of exploration and evaluation properties. 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 properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended September 30, 2023 and the year ended December 31, 2022. The Company is not subject to externally imposed capital requirements.