



# SAVILLE RESOURCES INC.

## Condensed Interim Financial Statements

For the Six Months Ended October 31, 2022

*The accompanying unaudited condensed interim financial statements of Saville Resources Inc. for the six months ended October 31, 2022 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.*

(Unaudited - Expressed in Canadian Dollars)

**Saville Resources Inc.**

Condensed Interim Statements of Financial Position

Expressed in Canadian Dollars

(Unaudited – prepared by management)

	<b>October 31, 2022</b>	April 30, 2022
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 159,503	\$ 522,651
Receivables (Note 6)	46,085	2,952
Marketable securities (Note 7)	17,500	68,055
Prepaid expenses	55,107	1,663
	<b>278,195</b>	595,321
<b>Exploration and evaluation assets (Note 8)</b>	<b>3,023,682</b>	2,660,048
	\$ <b>3,301,877</b>	\$ 3,255,369
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 271,391	\$ 113,427
Liability for flow-through shares (Note 15)	6,263	78,878
	<b>277,654</b>	192,305
<b>Loans payable (Note 9)</b>	<b>367,963</b>	275,978
	<b>645,617</b>	468,283
<b>Equity</b>		
<b>Share capital (Note 10)</b>	<b>11,778,000</b>	11,778,000
<b>Contributed surplus (Note 10)</b>	<b>466,121</b>	466,121
<b>Deficit</b>	<b>(9,587,861)</b>	(9,457,035)
	<b>2,656,260</b>	2,787,086
	\$ <b>3,301,877</b>	\$ 3,255,369
Commitments (Note 14)		

The financial statements were approved by the Board of Directors on December 13 2022 and were signed on its behalf by:

“Mike Hodge”  
President, Director

“Charn Deol”  
Director

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

**Saville Resources Inc.**

Condensed Interim Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

(Unaudited – prepared by management)

	<b>Three Months Ended October 31,</b>		<b>Six Months Ended October 31,</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
<b>Expenses</b>				
Administrative fees (Note 14)	\$ <b>37,500</b>	\$ 37,500	\$ <b>75,000</b>	\$ <b>75,000</b>
Accretion (Note 9)	<b>1,517</b>	1,295	<b>2,976</b>	<b>2,539</b>
Advertising and travel expenses	<b>2,336</b>	38,911	<b>7,633</b>	<b>77,661</b>
Consulting fees and salaries (Note 11)	<b>26,062</b>	26,012	<b>53,288</b>	<b>53,363</b>
Professional fees	<b>3,675</b>	547	<b>3,675</b>	<b>1,082</b>
Transfer agent and filing fees	<b>5,974</b>	5,006	<b>6,901</b>	<b>6,924</b>
Office and miscellaneous	<b>1,707</b>	1,870	<b>3,413</b>	<b>3,544</b>
	<b>78,771</b>	111,141	<b>152,886</b>	<b>220,113</b>
<b>Other items</b>				
Unrealized (gain) loss on marketable securities (Note 7)	<b>23,333</b>	5,833	<b>50,555</b>	<b>17,500</b>
<b>Net loss before income taxes</b>	<b>102,104</b>	116,974	<b>203,441</b>	<b>237,613</b>
Deferred income tax recovery (Note 15)	<b>68,051</b>	116,562	<b>72,615</b>	<b>179,175</b>
<b>Net Loss and Comprehensive Loss for the Period</b>	<b>34,053</b>	412	<b>130,826</b>	<b>58,438</b>
<b>Basic and Diluted Loss Per Share</b>	\$ <b>0.00</b>	\$ 0.00	\$ <b>0.00</b>	\$ <b>0.00</b>
<b>Weighted Average Number of Common Shares Outstanding – Basic and Diluted</b>	<b>101,846,567</b>	91,971,567	<b>101,846,567</b>	85,874,743

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

**Saville Resources Inc.**

Condensed Interim Statements of Changes in Equity

For the six months ended October 31, 2022 and 2021

Expressed in Canadian Dollars

(Unaudited – prepared by management)

	Number of shares	Share capital	Contributed surplus	Deficit	Total
<b>Balance, April 30, 2021</b>	<b>79,474,900</b>	<b>\$ 10,887,659</b>	<b>\$ 399,100</b>	<b>\$ (9,187,740)</b>	<b>\$ 2,099,019</b>
Shares issued for cash (Note 10)	6,800,000	306,000	34,000	-	340,000
Shares issued for cash – flow through (Note 10)	5,696,667	256,350	-	-	256,350
Share issuance costs	-	(29,916)	7,415	-	(22,501)
Net loss for the period	-	-	-	(58,438)	(58,438)
<b>Balance, October 31, 2021</b>	<b>91,971,567</b>	<b>\$ 11,420,093</b>	<b>\$ 440,515</b>	<b>\$ (9,246,178)</b>	<b>\$ 2,614,430</b>
	Number of shares	Share capital	Contributed surplus	Deficit	Total
<b>Balance, April 30, 2022</b>	<b>101,846,567</b>	<b>\$ 11,778,000</b>	<b>\$ 466,121</b>	<b>\$ (9,457,035)</b>	<b>\$ 2,787,086</b>
Net loss for the period	-	-	-	(130,826)	(130,826)
<b>Balance, October 31, 2022</b>	<b>101,846,567</b>	<b>\$ 11,778,000</b>	<b>\$ 466,121</b>	<b>\$ (9,587,861)</b>	<b>\$ 2,656,260</b>

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## Saville Resources Inc.

Condensed Interim Statements of Cash Flows  
For the six months ended October 31, 2022 and 2021  
Expressed in Canadian Dollars  
(Unaudited – prepared by management)

	2022	2021
<b>Operating Activities</b>		
Net income (loss)	\$ (130,826)	\$ (58,438)
<b>Items not involving cash</b>		
Unrealized gain on marketable securities	50,555	17,500
Accretion	2,976	2,539
Deferred income tax recovery	(72,615)	(179,175)
Changes in non-cash working capital		
Taxes and other receivables	(43,133)	(134,055)
Prepaid expenses	(53,444)	76,600
Accounts payable and accrued liabilities	29,276	(7,679)
<b>Cash Flows (Used in) Operating Activities</b>	<b>(217,211)</b>	<b>(282,708)</b>
<b>Investing Activities</b>		
Exploration and evaluation assets	(234,946)	(677,477)
<b>Cash Flows From (Used in) Investing Activities</b>	<b>(234,946)</b>	<b>(677,477)</b>
<b>Financing Activities</b>		
Loan payable	89,009	-
Shares issued for cash	-	681,800
Share issuance costs	-	(22,501)
<b>Cash Flows From (Used in) Financing Activities</b>	<b>89,009</b>	<b>659,299</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(363,148)</b>	<b>(300,886)</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>522,651</b>	<b>488,254</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 159,503</b>	<b>\$ 187,368</b>
<b>Supplemental Cash Flows Information</b>		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Exploration and evaluation costs in accounts payable	\$ 128,688	\$ 339,371

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

# Saville Resources Inc.

## Notes to the Condensed Interim Financial Statements

For the six months ended October 31, 2022 and 2021

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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### 1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Saville Resources Inc. (“Saville” or “the Company”) is a publicly listed company incorporated in British Columbia with limited liability under the legislation of the Province of British Columbia and its shares are listed on the TSX Venture Exchange under the symbol “SRE” and the Frankfurt Stock Exchange under the symbol “SOJ”. The Company is principally engaged in the acquisition, exploration, development and mining of mineral properties. The head office, principal address and registered and records office of the Company are located at 1450, 789 West Pender Street, Vancouver, BC, Canada, V6C 1H2.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its investments contain mineral reserves that are economically recoverable. The Company’s continuing operations and the underlying value and recoverability of the amounts shown for the investment in the mineral properties is entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the investment in the mineral properties, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition of the investment in the mineral properties.

### 2. GOING CONCERN

The Company’s ability to continue as a going concern is dependent upon the Company’s ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests and the attainment of profitable mining operations. Management is actively engaged in the review and due diligence of opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. The conditions described above may cast significant doubt as to the appropriateness of the use of the going concern assumption.

Management of the Company does not expect that cash flows for the Company’s operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, there is a material uncertainty that may cast significant doubt on Company’s ability to continue as going concern. The Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of planned exploration and other programs. As at October 31, 2022 and April 30, 2022, the Company reported the following:

	October 31, 2022	April 30, 2022
Net loss for the period	\$130,826	\$269,295
Deficit	\$9,587,861	\$9,457,035
Working capital	\$541	\$403,016

Accordingly, these financial statements do not give effect to adjustments, which could be material, to the carrying values and classification of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

### 3. BASIS OF PREPARATION

a) Statement of compliance

These statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting (“IAS 34”).

## Saville Resources Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended October 31, 2022 and 2021

Expressed in Canadian Dollars

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### 3. BASIS OF PREPARATION

#### b) Basis of measurement

These financial statements have been prepared under the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss (“FVTPL”), which are stated at their fair value.

#### c) Approval of the financial statements

The financial statements of the Company for the six months ended October 31, 2022 were authorized for issue in accordance with a resolution of the directors on December 13, 2022.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 4 of the audited financial statements for the year ended April 30, 2022. Therefore, these condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended April 30, 2022.

### 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments and estimates about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amount recognized in the financial statements.

#### a) Critical judgments in applying accounting policies

##### Going concern assumption

These financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company’s ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations. There are several adverse conditions that cast substantial doubt upon the soundness of this assumption. Refer to Note 2 for more details.

##### Exploration and evaluation assets

The Company makes certain judgements and assumptions regarding indicators of impairment and the recoverability of the carrying values of exploration and evaluation assets. Management has assessed for impairment indicators for the Company’s properties and has concluded that no indicators of impairment occur as at October 31, 2022 and April 30, 2022.

#### b) Key sources of estimation uncertainty

##### Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

## Saville Resources Inc.

Notes to the Condensed Interim Financial Statements  
For the six months ended October 31, 2022 and 2021  
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### 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - Continued

#### b) Key sources of estimation uncertainty - continued

##### Fair value of share-based payment

Management measures the fair value of equity-settled share-based transactions with officers, directors and consultants by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The Company uses Black-Scholes option pricing model. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

##### Interest rate on government loan

The government loan is measured at fair value based on management's best estimate of the effective interest rate at initial recognition. The fair value is also based on the Company's estimate that the amount will be fully repaid by December 31, 2022.

### 6. RECEIVABLES

	October 31, 2022	April 30, 2022
GST receivable	\$ 26,739	\$ 2,885
QST receivable	19,346	67
Total	\$ 46,085	\$ 2,952

### 7. MARKETABLE SECURITIES

During the year ended April 30, 2020, the Company received 388,888 shares of Ximen Mining Corp. in connection with the sale of the Bud Property. As at October 31, 2022, the Company holds 388,888 shares (April 30, 2022 - 388,888) with a fair market value of \$17,500, or \$0.045 per share. During the six months ended October 31, 2022, the Company recorded an unrealized loss on the shares of \$50,555 (October 31, 2021 - \$17,500).

### 8. EXPLORATION AND EVALUATION ASSETS

#### **Niobium Claim Group Property**

On January 11, 2018, the Company entered into an exploration earn-in agreement with Commerce Resources Corp. ("Commerce") on the Niobium Claim Group Property wholly owned by Commerce in Quebec. Under the exploration earn-in agreement, the Company has agreed to perform \$5 million of exploration work on the Niobium Claim Group Property over a five-year period to earn a 75% interest in the claims. The Company made a payment of \$25,000 upon signing and a payment of \$225,000 following TSX Venture Exchange approval on October 11, 2018. Commerce will retain a 2% Net Smelter Royalty (NSR) on production from some of the claims with a 1% NSR buyback for \$1 million, and a 1% NSR on the claims that are already subject to royalties.

#### **Covette Property**

On November 27, 2017, the Company entered into an agreement with Zimtu Capital Corp. ("Zimtu") to acquire a 100% interest in and to the Covette Property, located in the James Bay Region of Quebec. In exchange for 100% of the right, title, and interest in and to the Covette Property, consisting of 65 mineral claims, the Company paid Zimtu \$350,000. This agreement was accepted by the TSX Venture Exchange on June 28, 2018.

## Saville Resources Inc.

Notes to the Condensed Interim Financial Statements  
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### 8. EXPLORATION AND EVALUATION ASSETS - Continued

		Niobium Claim Group Property		Covette Property		Total
Balance, April 30, 2021	\$	1,253,921	\$	324,127	\$	1,578,048
Staking		-		1,963		1,963
Assays and analytical		60,006		-		60,006
Drilling		279,985		-		279,985
Field supplies and rentals		173,976		-		173,976
Geological expenses		239,419		-		239,419
Permitting		418		-		418
Travel and accommodation		326,233		-		326,233
Total property costs for the year		1,080,037		1,963		1,082,000
Balance, April 30, 2022	\$	2,333,958	\$	326,090	\$	2,660,048
Assays		6,500		-		6,500
Drilling		84,020		-		84,020
Field supplies and rentals		28,120		-		28,120
Geological expenses		92,451		-		92,451
Permitting		559		-		559
Travel and accommodation		151,984		-		151,984
Total property costs for the period		363,634		-		363,634
Balance, October 31, 2022	\$	2,697,592	\$	326,090	\$	3,023,682

### 9. LOANS PAYABLE

On April 30, 2020, the Company received a \$40,000 line of credit ("CEBA LOC") with the Bank of Montreal under the Canada Emergency Business Account ("CEBA") program funded by the Government of Canada. The CEBA LOC is non-interest bearing, can be repaid at any time without penalty. On January 1, 2021, the outstanding balance of the CEBA LOC automatically converted to a 2-year interest free term loan ("CEBA Term Loan"). The CEBA Term Loan may be repaid at any time without notice or the payment of any penalty. If 75% of the CEBA Term Loan at the CEBA Term Loan commencement date is repaid on or before December 31, 2022, the repayment of the remaining 25% shall be forgiven. If on December 31, 2022, the Company exercises the option for a 3-year term extension, 5% interest during the term extension period will apply on any balance remaining. The Government of Canada has announced the December 31, 2022 forgiveness repayment date for CEBA loans will be extended to December 31, 2023.

The Company has recorded the fair value of \$19,636 as at April 30, 2020, the initial recognition date of the CEBA LOC using an effective interest rate of 16%. The difference of \$20,364 between the fair value and the total amount of CEBA LOC received was recorded as a gain on government grant for the year ended April 30, 2020. During the six months ended October 31, 2022, the Company recorded interest accretion expense of \$2,232 (October 31, 2021 - \$1,904).

## Saville Resources Inc.

### Notes to the Condensed Interim Financial Statements

For the six months ended October 31, 2022 and 2021

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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#### 9. LOANS PAYABLE - Continued

On December 31, 2020, the Company received a second \$20,000 CEBA LOC with the Bank of Montreal under the CEBA program. The CEBA LOC is non-interest bearing, can be repaid at any time without penalty, with the same terms as the loan received on April 30, 2020. The Company has recorded the fair value of \$7,277 as at December 31, 2020, the initial recognition date of the CEBA LOC using an effective interest rate of 16%. The difference of \$12,724 between the fair value and the total amount of CEBA LOC received was recorded as a gain on government grant during the year ended April 30, 2021. During the six months ended October 31, 2022, the Company recorded interest accretion expense of \$744 (October 31, 2021 - \$635).

On December 7, 2021, the Company was advanced \$240,000 from Commerce for drilling costs on the Niobium Claims Property. The amount is due on December 7, 2022 and is non-interest bearing. During the six months ended October 31, 2022, Commerce invoiced the Company for \$89,009 in shared camp costs during the field program in Fall 2022.

#### 10. SHARE CAPITAL

- (a) Authorized - Unlimited number of common shares without par value.
- (b) Issued - As of October 31, 2022, there are 101,846,567 common shares issued and outstanding (April 30, 2022 – 101,846,567).

##### During the year ended April 30, 2022:

On June 24, 2021, the Company completed a non-brokered private placement, issuing 6,800,000 non-flow-through units (each, a "NFT Unit") at a price of \$0.05 per NFT Unit for gross proceeds of \$340,000. Each NFT Unit consists of one common share of the Company (each, an "NFT Share") and one non-transferable common share purchase warrant (each, an "NFT Warrant"), with each NFT Warrant entitling the holder to purchase one NFT Share for a period of three years following the closing of the offering (the "Closing") at an exercise price of \$0.075 per NFT Share. The Company paid cash finders' fees of \$13,300 and issued an aggregate of 257,833 broker warrants to certain finders. Each broker warrant is exercisable into one non-flow through common share at an exercise price of \$0.075 per broker warrant until June 24, 2024. The value allocated to the broker warrants was \$7,415.

On June 24, 2021, the Company completed a non-brokered private placement, issuing 5,696,667 flow-through shares ("FT Share") at a price of \$0.06 per FT Share for gross proceeds of \$341,800. Each FT Share was issued on a "flow-through" basis pursuant to the Income Tax Act (Canada).

On December 24, 2021, the Company completed a non-brokered private placement issuing 1,575,000 units (each, an "NFT Unit") at a price of \$0.05 per NFT Unit for gross proceeds of \$78,750 (the "NFT Offering"), and 8,300,000 shares (each, an "FT Share") at a price of \$0.05 per FT Share for gross proceeds of \$415,000 (the "FT Offering"). Each NFT Unit consists of one common share of the Company (each, an "NFT Share") and one non-transferable common share purchase warrant (each, an "NFT Warrant"), with each NFT Warrant entitling the holder to purchase one NFT Share for a period of three years following the closing of the NFT Offering (the "Closing") at an exercise price of \$0.075 per NFT Share. Each FT Share will be issued on a "flow-through" basis pursuant to the *Income Tax Act* (Canada) (each, an "FT Share"). The Company paid cash finder's fees of \$20,000 and issued an aggregate of 400,000 broker warrants to a certain finder. Each broker warrant is exercisable into one non-flow-through common share at an exercise price of \$0.075 per non-flow-through common share until December 24, 2024. The value allocated to the broker warrants was \$9,856.

## Saville Resources Inc.

Notes to the Condensed Interim Financial Statements  
For the six months ended October 31, 2022 and 2021  
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### 10. SHARE CAPITAL – Continued

#### (c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	October 31, 2022		April 30, 2022	
	Number of Warrants	Exercise Price	Number of Warrants	Exercise Price
Outstanding, beginning of period	15,138,933	\$0.105	6,196,100	\$0.075*
Granted	-	-	9,032,833	\$0.075
Expired	-	-	(90,000)	\$0.10
Outstanding, end of period	15,138,933	\$0.105	15,138,933	\$0.105

The following warrants were outstanding and exercisable as at October 31, 2022:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Warrants Outstanding and Exercisable
December 23, 2023	\$0.15	1.15	6,014,500
December 31, 2023**	\$0.15	1.17	91,600
June 24, 2024	\$0.075	1.65	6,800,000
June 24, 2024**	\$0.075	1.65	257,833
December 24, 2024	\$0.075	2.15	1,575,000
December 24, 2024**	\$0.075	2.15	400,000
<b>Total</b>		<b>1.51</b>	<b>15,138,933</b>

\*\*indicates broker warrants

During the year ended April 30, 2022, 90,000 warrants priced at \$0.10 expired unexercised.

#### (d) Options

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares of the Company, being 10,184,657 to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors, but shall not be less than the discounted market price as defined by the TSX Venture Exchange. The expiry date for each option should be for a maximum term of five years. Options granted to consultants not engaged in investor relations activities are granted for past services and vest immediately. Options granted to investor relations consultants vest according to TSX-V policy. There are currently 5,225,000 (April 30, 2022 – 5,225,000) stock options outstanding.

## Saville Resources Inc.

Notes to the Condensed Interim Financial Statements  
For the six months ended October 31, 2022 and 2021  
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### 10. SHARE CAPITAL – Continued

#### (d) Options - Continued

Option transactions and the number of options outstanding and exercisable are summarized as follows:

	October 31, 2022		April 30, 2022	
	Number of Options	Exercise Price	Number of Options	Exercise Price
Outstanding, beginning of period	5,225,000	\$0.05	5,225,000	\$0.05
Cancelled	(250,000)	0.05	-	-
Outstanding, end of period	4,975,000	\$0.05	5,225,000	\$0.05

During the six months ended October 31, 2022, 250,000 stock options issued to consultants were cancelled as they are no longer working with the Company.

The following options were outstanding and exercisable as October 31, 2022:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding and Exercisable
February 6, 2025	\$0.05	2.27	4,975,000

### 11. RELATED PARTY TRANSACTIONS AND BALANCES

The Company incurred the following transactions during the six months ended October 31, 2022 and 2021:

Key Management Compensation	October 31, 2022	October 31, 2021
Salaries and consulting fees	\$ 48,000	\$ 48,000

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. As at October 31, 2022 and April 30, 2022, there was \$nil due from/(to) the related parties of the Company.

### 12. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to meet its daily operating expenses. 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. 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 six months ended October 31, 2022 and the year ended April 30, 2022. The Company is not subject to externally imposed capital requirements.

## Saville Resources Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended October 31, 2022 and 2021

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### 13. FINANCIAL INSTRUMENTS

#### Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

At October 31, 2022 and April 30, 2022, the Company's marketable securities were measured at FVTPL and are using Level 1 inputs.

The Company's other financial assets and liabilities measured at amortized cost, including cash, receivables (excluding tax receivables) and accounts payable and accrued liabilities, the fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The fair value of the Company's loans payable were measured at the initial recognition date using Level 2 inputs.

The Company is exposed to a variety of financial instrument related risks. 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. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that there is sufficient working capital to fund its ongoing operating expenditures, after taking into account cash flows from operations and the Company's holdings of cash. As at October 31, 2022, the Company had working capital of \$541 (April 30, 2022 - \$403,016).

### 14. COMMITMENTS

On June 1, 2017, the Company entered into a Management & Administration Agreement ("Agreement") with Zimtu Capital Corp. ("Zimtu"). Under the terms of the Agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, at a rate of \$12,500 per month. The Agreement has been continually renewed each year. The agreement expiring November 30, 2021 was renewed on December 1, 2021 for a further twelve months.

### 15. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

On December 23, 2020, the Company issued 8,700,000 common shares on a "flow-through" basis at a price of \$0.05 per share for gross proceeds of \$435,000 (Note 10(b)). At October 31, 2022, the Company has incurred \$435,000 qualified expenditures. The flow-through proceeds were renounced under the Look-back Rule on December 31, 2020 and the expenditures were all incurred prior to December 31, 2021.

## Saville Resources Inc.

Notes to the Condensed Interim Financial Statements

For the six months ended October 31, 2022 and 2021

Expressed in Canadian Dollars

(Unaudited – prepared by management)

### 15. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES - Continued

On December 31, 2020, the Company issued 1,345,000 common shares on a “flow-through” basis at a price of \$0.05 per share for gross proceeds of \$67,250 (Note 10(b)). At October 31, 2022, the Company has incurred \$67,250 qualified expenditures. The flow-through proceeds were renounced under the Look-back Rule on December 31, 2020 and the expenditures were incurred prior to December 31, 2021.

On June 24, 2021, the Company issued 5,696,667 common shares on a “flow-through” basis at a price of \$0.06 per share for gross proceeds of \$341,800 (Note 10(b)). At October 31, 2022, the Company has incurred \$341,800 qualified expenditures. The flow-through proceeds were renounced as of December 31, 2021 and all the expenditures have been incurred as of December 31, 2021.

On December 24, 2021, the Company issued 8,300,000 common shares on a “flow-through” basis at a price of \$0.05 per Share for gross proceeds of \$415,800 (Note 10(b)). At October 31, 2022, the Company has incurred \$383,685 qualified expenditures. The flow-through proceeds were renounced as of December 31, 2021 and the remaining expenditures will be incurred prior to December 31, 2022.

	Issued on December 23, 2020	Issued on December 31, 2020	Issued on June 24, 2021	Issued on December 24, 2021	Total
<b>Balance, April 30, 2021</b>	\$ 87,000	\$ 6,725	\$ -	\$ -	\$ 93,725
Liability incurred on flow-through shares issued	-	-	85,450	83,000	168,450
Settlement of flow-through share liability on incurred expenses	(87,000)	(6,725)	(85,450)	(4,122)	(183,297)
<b>Balance, April 30, 2022</b>	\$ -	\$ -	\$ -	\$ 78,878	\$ 78,878
Liability incurred on flow-through shares issued	-	-	-	-	-
Settlement of flow-through share liability on incurred expenses	-	-	-	(72,615)	(72,615)
<b>Balance, October 31, 2022</b>	\$ -	\$ -	\$ -	\$ 6,263	\$ 6,263