



MISTANGO RIVER

RESOURCES

MISTANGO RIVER RESOURCES INC.

Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying condensed consolidated interim financial statements of the company have been prepared by and are the responsibility of the company's management. The company's independent auditor has not performed an audit or review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants.

Mistango River Resources Inc.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

As at	Notes	June 30, 2022	December 31, 2021
ASSETS			
Current			
Cash		\$7,072,515	\$7,091,477
GST/HST receivable		122,616	110,438
Accounts receivable		8,364	615,550
Prepaid expenses and deposits		3,390	45,474
Due from related parties	6	120,748	81,093
Total current assets		7,327,633	7,944,032
Right-of-use assets		-	1,912
Equipment	5	28,468	31,631
TOTAL ASSETS		\$7,356,101	\$7,977,575
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$205,739	\$855,482
Convertible note	7	66,868	64,668
Flow-through share premium liability	10	509,079	513,296
Lease obligation - current		-	2,223
TOTAL LIABILITIES		781,686	1,435,669
SHAREHOLDERS' EQUITY			
Share capital	8	29,454,461	29,454,461
Reserves	8	7,396,932	7,373,735
Deficit		(30,276,960)	(30,286,272)
Accumulated other comprehensive loss		(18)	(18)
TOTAL SHAREHOLDERS' EQUITY		6,574,415	6,541,906
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$7,356,101	\$7,977,575

Nature of operations (Note 1)
Going concern (Note 2)
Commitments and contingencies (Note 10)
Subsequent event (Note 13)

Approved on behalf of the Board

"Stephen Stewart" Director

"Alexander Stewart" Director

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

Mistango River Resources Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Notes	Three months ended June 30		Six months ended June 30	
		2022	2021	2022	2021
EXPENSES					
Management and consulting		\$75,266	\$59,185	\$159,751	\$129,102
Share-based compensation		23,197	-	23,197	-
Professional fees		27,603	13,249	30,183	17,868
Office, general and administrative		9,182	6,235	31,909	18,871
Transfer agent, filing fees and shareholder communications		38,982	52,529	49,834	53,163
Amortization		1,581	7,713	5,075	15,425
Exploration and evaluation expenditures		(298,059)	271,223	(284,078)	984,158
Interest income, (net of interest expense)		(15,207)	(6,543)	(20,966)	(14,648)
TOTAL EXPENSES		\$(137,455)	\$403,591	\$(5,095)	\$1,203,939
Income (loss) from operations for the period		137,455	(403,591)	5,095	(1,203,939)
Deferred income tax recovery					
Flow-through share premium liability renunciation		4,217	-	4,217	-
NET INCOME (LOSS) FOR THE PERIOD		141,672	(403,591)	9,312	(1,203,939)
Weighted average number of shares - basic and diluted		150,391,698	135,693,113	150,391,698	135,693,113
Income (loss) per share – basic and diluted		\$0.00	\$0.00	\$0.00	\$(0.01)

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

Mistango River Resources Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit)
(Unaudited - Expressed in Canadian dollars)

	Number of shares	Amount	Share-based Reserve	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total Equity
Balance at December 31, 2020	130,467,699	\$26,905,216	\$7,294,773	\$(28,186,087)	\$(18)	\$6,013,884
Loss for the period	-	-	-	(1,203,939)	-	(1,203,939)
Hard-dollar private placement	14,300,000	2,145,000	-	-	-	2,145,000
Exercise of stock options	1,000,000	108,646	(38,646)	-	-	70,000
Exercise of warrants	166,667	10,653	(2,320)	-	-	8,333
Balance at June 30, 2021	145,934,366	\$29,169,515	\$7,253,807	\$(29,390,026)	\$(18)	\$7,033,278
Loss for the period	-	-	-	(896,246)	-	(896,246)
Exercise of warrants	4,457,332	284,946	(62,046)	-	-	222,900
Share-based payments	-	-	181,974	-	-	181,974
Balance at December 31, 2021	150,391,698	\$29,454,461	\$7,373,735	\$(30,286,272)	\$(18)	\$6,541,906
Income for the period	-	-	-	9,312	-	9,312
Share-based payments	-	-	23,197	-	-	23,197
Balance at June 30, 2022	150,391,698	\$29,454,461	\$7,396,932	\$(30,276,960)	\$(18)	\$6,574,415

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

Mistango River Resources Inc.
Condensed Consolidated Interim Statements of Cash Flows

For the six months ended June 30, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

	June 30, 2022	June 30, 2021
Operating activities		
Income (loss) for the period	\$9,312	\$(1,203,939)
Items not involving cash		
Amortization	5,075	15,425
Accrued interest expenses	2,200	3,515
Share-based payments	23,197	-
Flow-through share premium renunciation	(4,217)	-
Changes in non-cash working capital items		
Due from related party	(39,655)	(8,263)
Accounts receivable	607,186	-
Prepaid expenses	42,084	16,023
GST/HST receivable	(12,178)	20,971
Accounts payable and accrued liabilities	(649,743)	(117,351)
Net cash used in operating activities	\$(16,739)	\$(1,273,619)
Financing activities		
Issue of common shares	-	2,145,000
Stock options exercised	-	70,000
Warrants exercised	-	8,333
Repayment of lease obligation	(2,223)	(13,396)
Net cash (used in) provided by financing activities	\$(2,223)	\$2,209,937
Investing activities		
Advances to related parties	-	-
Net cash used in investing activities	\$-	\$-
Net increase in cash	(18,962)	936,318
Cash, beginning of period	7,091,477	6,576,593
Cash, end of period	\$7,072,515	\$7,512,911

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

Mistango River Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

1. Nature of Operations

Mistango River Resources Inc. ("Mistango" or the "Company") is a federally incorporated company. The Company's principal business is the acquisition and exploration of mineral properties. To date, the Company has not earned significant revenue as it is in the exploration stage. The ability of the Company to carry out its business plan rests with its ability to secure equity and other financing. The Company's head office is located at 55 University Avenue, Suite 1805, Toronto, Ontario M5H 2H7.

2. Going Concern

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The business of mining and exploration involves a high degree of risk and there can be no assurance that the Company's exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its properties, making the required payments pursuant to mineral property option agreements and/or securing additional financing; all of which are uncertain.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company has raised funds in recent periods and will utilize these funds for its exploration programs and working capital requirements. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at June 30, 2022, the Company had working capital of \$7,055,026 (December 31, 2021 - \$7,021,659) and an accumulated deficit of \$30,276,960 (December 31, 2021 - \$30,286,272).

The Company has no proven history of performance, earnings or success. However, management believes that the Company has sufficient working capital and investments to continue operating over the next 12 months.

These consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these consolidated interim financial statements. Such adjustments could be material.

Mistango River Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION**a) Statement of compliance and basis of measurement**

These unaudited condensed consolidated interim financial statements (“interim financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part I of the CPA Canada Handbook – Accounting, as applicable to the preparation of interim financial statements, including International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”). These interim financial statements should be read in conjunction with the December 31, 2021 consolidated annual financial statements. These interim financial statements were authorized for issuance by the Audit Committee on behalf of the Board of Directors on August 29, 2022.

These interim financial statements follow the same accounting principles and methods of application as disclosed in the consolidated financial statements as at and for the year ended December 31, 2021. The interim consolidated financial statements may condense or omit certain disclosures that otherwise would be present in annual financial statements prepared in accordance with IFRS.

b) Significant accounting judgments and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts and the valuation of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period reported.

Management uses its best estimates for these purposes, based on assumptions that it believes reflect the most probable set of economic conditions and planned courses of action. However, actual results could differ materially from these estimates.

The significant areas of estimation and uncertainty considered by management in preparing the condensed consolidated interim financial statements for the six-month period ended June 30, 2022 are the same as those described in the Company’s annual financial statements for the year ended December 31, 2021.

c) Significant accounting policies

The Company’s accounting policies applied to all periods presented in these Financial Statements are the same as those applied by the Company in its annual consolidated financial statements as at and for the year ended December 31, 2021, except as detailed in note 4.

4. FUTURE ACCOUNTING PRONOUNCEMENTS

At the date of authorization of these consolidated interim financial statements, the IASB has issued new and revised Standards and Interpretations which are not yet effective for the relevant reporting period. Many are not applicable or do not have a significant impact to the Company. Management is currently evaluating the impact of these pronouncements on the Company’s consolidated interim financial statements.

Mistango River Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

5. EQUIPMENT

	Automotive equipment	Mining equipment	Total
Cost			
Balance, January 1, 2021	\$33,583	\$80,710	\$114,293
Additions	-	-	-
Balance, December 31, 2021	33,583	80,710	114,293
Additions	-	-	-
Balance, June 30, 2022	\$33,583	\$80,710	\$114,293
Accumulated amortization			
Balance, January 1, 2021	\$3,358	\$71,396	\$74,754
Amortization	6,045	1,863	7,908
Balance, December 31, 2021	9,403	73,259	82,662
Amortization	2,418	745	3,163
Balance, June 30, 2022	11,821	74,004	85,825
Net book value, December 31, 2021	24,180	7,451	31,631
Net book value, June 30, 2022	\$21,762	\$6,706	\$28,468

6. RELATED PARTIES TRANSACTIONS AND BALANCES

Key management includes the Company's directors, officers, and employees with the authority and responsibility for either directly or indirectly planning, directing and controlling the activities of the Company. Compensation awarded to key management during the three and six months ended June 30, 2022 and 2021 include:

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Management and consulting fees	\$73,102	\$44,500	\$134,393	\$119,333
Share-based compensation	6,323	-	6,323	-
	\$79,425	\$44,500	\$140,716	\$119,333

As at June 30, 2022 and December 31, 2021, the Company had the following related party balances:

	June 30, 2022	December 31, 2021
Due from Standard Ore Corporation	\$34,427	\$34,427
Due from 2287957 Ontario Ltd	46,666	46,666
	\$81,093	\$81,093

Standard Ore Corporation ("Standard Ore") is controlled by a director of the Company. Standard Ore provides corporate and administrative services to the Company.

2287957 Ontario Ltd. is a private company incorporated in Ontario and is controlled by a director of the Company.

Orefinders Resources Inc. ("Orefinders") is a junior mineral exploration company listed on the TSX-Venture exchange. Each of the Company's and Orefinders' board of directors are controlled by the

Mistango River Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

same three parties. At June 30, 2022, Orefinders owned approximately 16% of the common shares of the Company (December 31, 2021 – 16%).

Amounts due to and from these related parties are unsecured, non-interest bearing with no fixed terms of repayment.

See notes 7 and 8.

7. CONVERTIBLE DEBENTURES

As at June 30, 2022, the Company was indebted in the amount of \$55,000 (December 31, 2021 - \$55,000) to 2287957 Ontario Limited (a company controlled by a director) in the form of a secured promissory note. The promissory note was advanced on October 21, 2019, is now due on demand, bears interest at the rate of 8% and is secured by a fixed and floating charge against all of the assets of the Company.

The note bears a conversion option to convert the principal of the loan to shares at a price of \$0.03 per share. Interest expense for the three and six months ended June 30, 2022 totaled \$1,100 and \$2,200, respectively (2021 - \$1,097 and \$2,182, respectively).

8. SHARE CAPITAL

Mistango's authorized share capital consists of an unlimited number of Class A voting common shares, and an unlimited number of non-voting, redeemable Class B preferred shares, series A. This series is redeemable by the Company, in whole or in part, at the rate of \$1,000 per series A share. The holders of the series A shares are not entitled to dividends.

Stock Options

Mistango has a stock option plan (the "Plan") under which the Company may grant options to directors, officers, employees, and consultants of the Company. The maximum number of common share options that may be issued and outstanding under the Plan may not exceed 10% of the issued shares.

Options outstanding to purchase common shares are as follows:

<i>For the six months ended</i>	June 30, 2022		
	Number of options	Weighted average exercise price	Weighted average life (years)
Options outstanding, beginning of period	5,900,000	\$ 0.08	3.9
Options granted	410,000	0.08	5.0
Options forfeited	(200,000)	0.10	4.5
Options outstanding, end of period	6,110,000	\$ 0.08	3.5
Options exercisable, end of period	6,010,000	\$ 0.08	3.5

Mistango River Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

As at June 30, 2022, the following stock options were outstanding and exercisable:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
3,300,000	3,300,000	\$0.07	February 10, 2025
2,400,000	2,400,000	\$0.10	December 20, 2026
410,000	310,000	\$0.08	April 1, 2027
6,110,000	6,010,000	\$0.08	

Warrants

A summary of the changes in the Company's warrants is set out below:

<i>For the six months ended</i>	June 30, 2022		
	Number of warrants	Weighted average exercise price	Weighted average life (years)
Warrants outstanding, beginning of period	38,470,032	\$ 0.15	0.27
Warrants expired	(32,726,471)	(0.12)	-
Warrants outstanding, end of period	5,743,561	\$ 0.34	0.25

As at June 30, 2022, the following warrants were outstanding and exercisable:

Number of warrants outstanding	Exercise Price	Expiry Date
1,581,136	\$0.30	September 29, 2022
4,162,425	\$0.35	September 29, 2022
5,743,561	\$0.34	

Broker compensation options

As at June 30, 2022 and December 31, 2021 the following broker compensation options were outstanding:

Number of broker compensation options outstanding	Exercise Price	Expiry Date
766,043	\$0.24	September 29, 2022

Each broker compensation option is exercisable into one unit, comprised of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable until September 29, 2022, at an exercise price of \$0.30 for one common share.

Mistango River Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

9. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenditures incurred during the six months ended June 30, 2022 and 2021, and since project inception, for each property is as follows:

	June 30, 2022	June 30, 2021	Accumulated From Property Inception
Kirkland West - Eby/Baldwin, Ontario	\$(308,902)	\$973,627	\$2,807,528
Goldie, Ontario	-	-	513,053
Omega, Ontario	-	10,531	6,064,403
Sackville, Ontario	24,824	-	1,216,649
Other	-	-	113,650
Total	\$(284,078)	\$984,158	\$10,715,283

During the six months ended June 30, 2022, the Company recorded \$1,472,991 in exploration expense funding from Agnico Eagle, of which \$249,191 related to spending which occurred in 2021. These funds have been recorded as a credit against exploration and evaluation expenses. The recovery of spending which occurred in 2021 combined with the timing difference between the receipt of funds from Agnico Eagle and the completion of work has resulted in a credit balance in exploration and evaluation expenditures for the six months ended June 30, 2022.

10. COMMITMENTS AND CONTINGENCIES

(a) On July 10, 2020, the Department of Finance Canada announced a proposal to extend the time that issuers of "flow-through shares" have to incur eligible expenditures by 12 months, being December 31, 2022. This extension applies to issuers with operations that have been impacted by COVID-19 and should provide relief to mining companies that have had to change or halt their operations due to the pandemic. As at June 30, 2022, the Company was committed to spending \$2,996,750 in eligible exploration expenditures by December 31, 2022.

The Company has indemnified the subscribers of the flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

(b) The Company's exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(c) Since March 2020, the COVID-19 pandemic is causing a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the Company's business, operations and financial results, as well as a deterioration of general economic conditions including a possible national or global recession. Due to

Mistango River Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company's business, operations or financial results, including the Company's ability to secure financing; however, the impact could be material. To-date there have been no material adverse effects to the Company's operations.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns to shareholders and benefits to other stakeholders. The Company considers the items included in equity as capital. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or return capital to shareholders.

There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

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 in the period.

The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Fair value of financial instruments

The fair value of financial instruments approximates their carrying value due to the short-term maturity of these instruments. As at June 30, 2022 and December 31, 2021, the Company has no financial instruments to classify in the fair value hierarchy. The fair value of the Company's financial instruments approximate their carrying amount given their short-term nature.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. GST/HST receivable is due from the Government of Canada and the Company believes the risk of loss related to these is remote. The Company's exposure to credit risk is on its cash held in bank accounts. Cash is held with major banks in Canada. Management assesses credit risk of cash as remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company strives to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. In the long-term, the Company may have to issue additional equity to ensure there is sufficient capital to meet long-term objectives.

Currency and interest rate risk

The Company is not exposed to any significant foreign exchange risk or interest rate risk.

Mistango River Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

Classification of financial instruments

Financial assets and liabilities included in the statement of financial position are as follows:

	June 30, 2022	December 31, 2021
Financial assets at amortized costs:		
Cash	\$7,072,515	\$7,091,477
GST/HST receivable	122,616	110,438
Accounts receivable	8,364	615,550
Due from related party	120,748	81,093
	\$7,324,243	\$7,898,558
Financial liabilities at amortized costs:		
Accounts payable and accrued liabilities	\$205,739	\$855,482
Convertible note	66,868	64,668
	\$272,607	\$920,150

13. SUBSEQUENT EVENT

a) In August 2022, the Company committed a total of \$200,000 in cash or shares, at the Company's option, and \$1.2 million in work commitments to earn a 100% interest in the Ledden Copper-Gold Project in the Chibougamau District of Quebec. The vendors will retain a 2% net-smelter royalty, of which the Company can repurchase half for \$2 million. Additional milestone payments, in cash or shares at the Company's option, are due upon prescribes milestones after 100% interest in the project has been earned.

b) The Company purchased, in the public market, shares of an arms-length unaffiliated publicly traded entity for an aggregate investment cost of approximately \$1.7 million, representing less than five percent ownership in the entity. At August 29, 2022, the cost of the Company's investments approximated their market value.