

BIG RED MINING CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended May 31, 2023

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED 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 condensed interim financial statements; they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed 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 a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of the condensed interim financial statements by an entity's auditor.

BIG RED MINING CORP.
Condensed Interim Statements of Financial Position
As at
(Expressed in Canadian dollars)

	Note	May 31, 2023	August 31, 2022
		\$	\$
ASSETS			
Current			
Cash and cash equivalents		271,109	502,035
Amounts receivable		101,886	91,247
Interest receivable		-	2,685
Prepays	6	12,500	12,500
Total current assets		385,495	608,467
Exploration and evaluation assets	5, 6	664,369	655,369
Total assets		\$1,049,864	\$1,263,836
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6	48,489	70,000
Total current liabilities		48,489	70,000
SHAREHOLDERS' EQUITY			
Share capital	7	1,603,361	1,594,361
Reserves	7	351,346	336,004
Deficit		(953,332)	(736,529)
Total shareholders' equity		1,001,375	1,193,836
Total liabilities and shareholders' equity		\$1,049,864	\$1,263,836

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors on July 26, 2023:

<u>“Jag Sandhu”</u>	<u>“Rodney Stevens”</u>
Director	Director

BIG RED MINING CORP.**Condensed Interim Statements of Loss and Comprehensive Loss**

(Expressed in Canadian dollars, except number of shares)

		Three Months Ended		Nine Months Ended	
	Note	May 31, 2023	May 31, 2022	May 31, 2023	May 31, 2022
		\$	\$	\$	\$
Operating expenses					
Management fees	6	60,000	90,000	180,000	160,000
Marketing		-	13,251	234	63,251
Office and miscellaneous	6	18	6,393	6,545	21,216
Professional fees		924	3,260	1,847	33,646
Share-based compensation	6, 7	-	57,556	15,342	180,076
Travel expenses		-	-	271	10,090
Transfer agent and filing		2,400	2,240	15,474	34,219
Total operating expenses		63,342	172,700	219,713	502,498
Other income					
Interest		1,271	1,455	2,910	2,191
Flow-through premium reversal		-	12,000	-	12,000
Total other income		1,271	13,455	2,910	14,191
Net loss and comprehensive loss		\$(62,071)	\$(159,245)	\$(216,803)	\$(488,307)
Loss per share:					
Basic and diluted		\$(0.00)	\$(0.01)	\$(0.01)	\$(0.02)
Weighted average number of shares outstanding:					
Basic and diluted		25,489,500	25,589,500	25,425,764	24,415,044

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

BIG RED MINING CORP.**Condensed Interim Statements of Changes in Shareholders' Equity**

(Expressed in Canadian Dollars, except number of shares)

	Share capital		Special warrants	Reserves	Deficit	Total
	Number of common shares	Amount				
Balance at August 31, 2021	20,410,000	599,461	975,900	26,719	(32,058)	1,570,022
Conversion of special warrants (Note 7)	4,879,500	975,900	(975,900)	-	-	-
Shares issued for property (Notes 5, 7)	300,000	27,000	-	-	-	27,000
Share-based compensation (Note 7)	-	-	-	180,076	-	180,076
Net Loss	-	-	-	-	(488,307)	(488,307)
Balance at May 31, 2022	25,589,500	\$ 1,602,361	\$ -	\$ 206,795	\$ (488,307)	1,288,791
Balance at August 31, 2022	25,389,500	1,594,361	-	336,004	(736,529)	1,193,836
Share-based compensation (Notes 6, 7)	-	-	-	15,342	-	15,342
Shares issued for property (Notes 5, 7)	100,000	9,000	-	-	-	9,000
Net Loss	-	-	-	-	(216,803)	(216,803)
Balance at May 31, 2023	25,489,500	\$ 1,603,361	\$ -	\$ 351,346	\$ (953,332)	\$ 1,001,375

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

BIG RED MINING CORP.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)

	Nine Months Ended May 31, 2023	Nine Months Ended May 31, 2022
	\$	\$
Operating activities		
Net loss for the period	(216,803)	(488,307)
Share-based compensation	15,342	180,076
Flow-through premium reversal	-	(12,000)
Changes in non-cash working capital		
Amounts receivable	(10,639)	(68,314)
Interest receivable	2,685	-
Prepays	-	(20,135)
Accounts payable and accrued liabilities	(21,511)	(12,500)
Net cash flows used in operating activities	(230,926)	(421,480)
Investing activities		
Exploration and evaluation asset	-	(481,037)
Net cash flows used in investing activities	-	(481,037)
Decrease in cash and cash equivalents	(230,926)	(902,217)
Cash and cash equivalents, beginning of period	502,035	1,498,296
Cash and cash equivalents, end of period	\$271,109	\$596,079
Cash and cash equivalents is comprised of:		
Cash	21,084	46,800
Guaranteed investment certificate	250,025	549,279
	\$271,109	\$596,079
Non-cash transactions affecting cash flows from investing and financing activities:		
Exploration and evaluation assets included in accounts payable	\$37,598	\$1,000
Shares issued for property option payment	\$9,000	\$27,000

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

BIG RED MINING CORP.

Notes to the Condensed Interim Financial Statements

For the nine months ended May 31, 2023 and 2022

(Expressed in Canadian dollars – unless otherwise noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Big Red Mining Corp. (the “Company”) is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the *Business Corporations Act* of British Columbia on October 18, 2020. The address of the Company's registered and records office and principal place of business is Suite 100, 17565 58 Avenue, Surrey, British Columbia, V3S 4E3 Canada.

The Company’s primary business is the acquisition and exploration of mineral properties. The Company’s exploration and evaluation asset (Note 5) does not presently host any known mineral deposits nor, given the high degree of risk involved, can there be any assurance that its exploration activities will result in the definition of such deposits being located or, ultimately, a profitable mining operation in the future.

These condensed interim financial statements (the “financial statements”) have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a loss of \$216,803 during the period ended May 31, 2023, and has an accumulated deficit as at May 31, 2023 of \$953,332 (August 31, 2022 - \$736,529). Further, the Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct required exploration and development of its mineral property projects. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern. These adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board. IFRS includes International Accounting Standards (“IAS”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). As such, these interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company’s audited annual financial statements for the year ended August 31, 2022.

These financial statements were approved and authorized for issuance by the Company’s Board of Directors on July 26, 2023.

b) Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis, except for those financial instruments which have been classified and measured at fair value. In addition, with the exception of cash flow information, these condensed interim financial statements have been prepared using the accrual method of accounting.

c) Functional and presentation currency

All amounts in these condensed interim financial statements are presented in Canadian dollars, the functional currency of the Company. The accounting policies set out below have been applied consistently.

The Company considers the primary and secondary indicators as part of its decision-making process. The condensed interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in notes 2 and 3 to the Company's audited financial statements for the year ended August 31, 2022.

The preparation of these financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Environmental rehabilitation obligation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

Fair-value of finders' warrants

The Company measures the cost of finders' warrants by reference to the fair value of the warrants at the date on which they are granted. Estimating the fair value of finder warrants requires applying the Black-Scholes valuation model to each grant based on the terms and conditions of such issuance.

Share-based compensation

The fair value of stock options issued are subject to the limitations of the Black-Scholes Option Pricing Model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes Option Pricing Model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

4. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

a) Recent accounting pronouncements

Certain other accounting pronouncements were issued but the Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial position of the Company except for additional disclosures. The Company is assessing the impact of the new or revised IFRS standards on its financial position and financial performance.

5. EXPLORATION AND EVALUATION ASSETS

Dobie Lake Property

The Company entered into an option agreement with Rich Copper Exploration Corp. (the "Vendor") dated February 25, 2021, as amended on June 3, 2021, (the "Option Agreement") to acquire a 100% interest in certain claims comprising the Dobie Lake Property (the "Property") located in Ontario, Canada, subject to a 2% net smelter returns royalty payable to the Vendor.

Pursuant to the Option Agreement, to exercise the option the Company is required to:

- a) make a cash payment of \$5,000 to the Vendor within 30 days of signing of the Option Agreement (paid)
- b) issue a total of 350,000 common shares in the capital of the Company ("Shares") to the Vendor per the following schedule:
 - 50,000 Shares within 90 days of signing the Option Agreement (issued)
 - 100,000 Shares on or before the first anniversary date of the Option Agreement (issued)
 - 100,000 Shares on or before the second anniversary date of the Option Agreement (issued)
 - 100,000 Shares on or before the third anniversary date of the Option Agreement
- c) incur exploration expenditures totaling \$830,000 on the Property per the following schedule:
 - \$80,000 on or before the first anniversary date of the Option Agreement
 - a further \$150,000 on or before the second anniversary date of the Option Agreement
 - a further \$250,000 on or before the third anniversary date of the Option Agreement
 - a further \$350,000 on or before the fourth anniversary date of the Option Agreement

BIG RED MINING CORP.**Notes to the Condensed Interim Financial Statements****For the nine months ended May 31, 2023 and 2022**

(Expressed in Canadian dollars – unless otherwise noted)

5. EXPLORATION AND EVALUATION ASSET (CONTINUED)

The Company entered into a purchase agreement with a Vendor (the “Gryba Vendor”) dated November 30, 2021, (the “Gryba Option Agreement”) to acquire a 100% interest in certain claims comprising the Gryba Property (the “Gryba Property”) located in Ontario, Canada. The Gryba claims are an expansion to the Dobie Lake Property.

Pursuant to the Gryba Agreement, to acquire the claims the Company is required to:

- a) make a cash payment of \$4,500 to the Gryba Vendor on signing of the Gryba Option Agreement (paid)
- b) make a cash payment of \$4,500 to the Gryba Vendor within 6 months of signing of the Gryba Option Agreement

The Company has recognized the amounts due to towards the Gryba claims in accounts payable as it is currently renegotiating the terms of the agreement. As at May 31, 2023 the agreement is still in good standing.

The Company entered into an option agreement with an Optionor (the “Skead Vendor”) dated November 30, 2021, (the “Skead Option Agreement”) to acquire a 100% interest in certain claims comprising the Skead Copper Property (the “Skead Property”) located in Ontario, Canada. The Skead claims are an expansion to the Dobie Lake Property.

Pursuant to the Skead Option Agreement, to exercise the option the Company is required to:

- a) make a cash payment of \$12,000 to the Skead Vendor on signing of the Skead Option Agreement (paid)
- b) issue 300,000 common shares in the capital of the Company to the Skead Vendor per the following schedule:
 - 100,000 Shares on or before the first anniversary date of the Skead Option Agreement
 - 100,000 Shares on or before the second anniversary date of the Skead Option Agreement
 - 100,000 Shares on or before the third anniversary date of the Skead Option Agreement

During the nine months ended May 31, 2023, the Company incurred a total of \$9,000 in acquisition costs and \$Nil in exploration expenditures.

	August 31, 2022	Additions	May 31, 2023
	\$	\$	\$
Acquisition costs	47,500	9,000	56,500
Exploration costs			
Field expenses	36,594	-	36,594
Geological consulting	241,448	-	241,448
Geophysical	16,309	-	16,309
Drilling	313,518	-	313,518
Total exploration costs	607,869	-	607,869
Total	\$655,369	\$9,000	\$664,369

BIG RED MINING CORP.**Notes to the Condensed Interim Financial Statements****For the nine months ended May 31, 2023 and 2022**

(Expressed in Canadian dollars – unless otherwise noted)

6. RELATED PARTY TRANSACTIONS

During the nine months ended May 31, 2023, the Company:

- Incurred \$112,500 (2022 - \$92,500) in management fees and recorded \$12,500 (2022 - \$12,500) in prepaid expenses relating to services rendered by a company controlled by the CEO;
- Incurred \$Nil (2022 - \$13,500) in office and miscellaneous relating to rent for head office space which will be paid to the CEO;
- Incurred \$67,500 (2022 - \$67,500) in management fees relating to services rendered by a company controlled by the CFO;
- Incurred \$Nil (2022 - \$54,834) in geological consulting fees which is capitalized to exploration and evaluation assets relating to services rendered by companies controlled by a director of the Company;
- Recognized \$9,589 (2022 - \$96,756) in share-based compensation expense due to the vesting of options granted to directors and officers of the Company.

Amounts due to or from related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties. The amounts due to related parties as at May 31, 2023 are included in accounts payable and accrued liabilities:

	May 31, 2023	August 31, 2022
	\$	\$
Due to directors and officers of the Company	8,875	15,750
Other related parties	245	-
Total	\$9,120	\$15,750

7. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares.

Share transactions

During the nine months ended May 31, 2023, the Company issued:

- a) On February 21, 2023, the Company issued 100,000 shares with a fair value of \$9,000 in connection to its option to acquire 100% interest in the Dobie Lake Property.

During the nine months ended May 31, 2022, the Company issued the following:

- a) On October 26, 2021, the Company received notice of receipt for its long form prospectus from the British Columbia Securities Commission. As such on October 27, 2021 all outstanding Special Warrants were exercised and the Company issued 4,879,500 common shares to the special warrant holders for no additional consideration.
- b) On February 2, 2022, the Company issued 300,000 shares with a fair value of \$27,000 in connection to its option to acquire 100% interest in the Skead Copper Property.

BIG RED MINING CORP.**Notes to the Condensed Interim Financial Statements****For the nine months ended May 31, 2023 and 2022**

(Expressed in Canadian dollars – unless otherwise noted)

7. SHARE CAPITAL (CONTINUED)**Warrants**

Below is a summary of warrant activity during the nine months ended May 31, 2023:

	Amount Outstanding	Weighted Average Exercise Price
Balance at August 31, 2021	7,251,650	\$0.22
Issued	4,879,500	\$0.25
Balance at August 31, 2022	12,131,150	\$0.23
Expired	(106,250)	\$0.30
Balance at May 31, 2023	12,024,900	\$0.23

The following table summarizes information about the warrants outstanding as at May 31, 2023:

Number of warrants outstanding	Exercise price	Remaining life (years)	Expiry date
44,800 ⁽¹⁾	\$0.30	0.22	August 21, 2023
960,000	\$0.30	0.22	August 18, 2023
62,000 ⁽¹⁾	\$0.25	1.22	August 19, 2024
3,600 ⁽¹⁾	\$0.25	1.25	August 31, 2024
6,075,000	\$0.20	2.79	March 16, 2026
4,879,500	\$0.25	1.41	October 27, 2024
12,024,900	\$0.23	2.01	

⁽¹⁾Agent warrants**Options**

During the nine months ended May 31, 2023 the Company recognized \$15,342 (2022 - \$180,076) in share-based compensation for the vesting of options granted in the prior year.

During the year ended August 31, 2022, the Company granted 1,330,000 stock options exercisable at a price of \$0.20 with a 5-year life and 350,000 stock options exercisable at a price of \$0.20 with a 5-year life. The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of the options granted. The Company utilized the following assumptions: average volatility - 147%, average risk-free rate - 1.40% and a five-year term. Accordingly, the estimated grant date fair value of the options was \$324,627. All options granted vest over a period of 1 year with 25% of the options vesting every 3 months. During the year ended August 31, 2022 the Company recorded \$309,285 in share-based compensation in relation to these grants.

BIG RED MINING CORP.
Notes to the Condensed Interim Financial Statements
For the nine months ended May 31, 2023 and 2022
(Expressed in Canadian dollars – unless otherwise noted)

7. SHARE CAPITAL (CONTINUED)

Options (continued)

A summary of the Company's stock option activity is as follows:

	Number Outstanding	Weighted Average Exercise Price
	#	\$
Outstanding at August 31, 2021	-	-
Issued	1,680,000	0.20
Outstanding at August 31, 2022 and May 31, 2023	1,680,000	\$0.20

The weighted average remaining life of stock options outstanding is 3.45 years.

Escrow Shares

Under the escrow agreement dated September 9, 2021, 10% of the escrowed common shares were to be released from escrow on the date of listing on the CSE. Subsequent to listing (November 5, 2021), an additional 15% are to be released every six months over a thirty-six-month period. As at May 31, 2023, a total of 7,717,500 shares and 2,733,750 warrants were held in escrow (May 31, 2022 – 12,862,500 shares and 4,556,250 warrants).

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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 Company's financial instruments consist of cash and cash equivalents, interest receivable, and accounts payable. The carrying values of the Company's interest receivable and accounts payable approximate their respective fair values due to the short-term maturity of these instruments.

BIG RED MINING CORP.

Notes to the Condensed Interim Financial Statements

For the nine months ended May 31, 2023 and 2022

(Expressed in Canadian dollars – unless otherwise noted)

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

As at May 31, 2023, the fair value of cash and cash equivalents held by the Company was based on level 1 inputs of the fair value hierarchy.

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

Credit risk

The Company's primary exposure to credit risk is its cash and cash equivalents of \$271,109 at May 31, 2023. With cash and cash equivalents on deposit with reputable financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at May 31, 2023, the Company had current liabilities totaling \$48,489 and cash and cash equivalents of \$271,109 and is not exposed to significant liquidity risk at this time. However, since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

Market risk

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

9. CAPITAL MANAGEMENT

The Company includes shareholders' equity and any debt it may issue, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. 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 and consultants to sustain future development of the business.

The Company's property is in the exploration stage and 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 required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. The Company is not subject to any external covenants.