



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Month Period Ended

September 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

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 consolidated financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

Supernova Metals Corp.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	September 30, 2023	December 31, 2022
	(\$)	(\$)
ASSETS		
Current assets		
Cash	30,043	36,670
GST receivable	2,879	3,841
Short-term investment (Note 4)	-	35,834
	32,922	76,345
Exploration and evaluation assets (Note 6)	1	1
Reclamation bond (Note 5)	4,474	5,035
	37,397	81,381
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (Notes 7 and 8)	127,054	17,593
	127,054	17,593
Shareholders' equity (deficiency)		
Share capital (Note 9)	7,557,305	7,557,305
Share subscriptions (Note 13)	21,250	-
Reserves (Note 9)	590,354	590,354
Deficit	(8,258,566)	(8,083,871)
	(89,657)	63,788
	37,397	81,381

Nature of Operations and Going Concern (Note 1)

Subsequent Event (Note 13)

On behalf of the Board:

"Ken Brophy"

Ken Brophy - Director

"Sean McGrath"

Sean McGrath - Director

See accompanying notes to the condensed interim consolidated financial statements

Supernova Metals Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Month Period Ended September 30, 2023 (\$)	Three Month Period Ended September 30, 2022 (\$)	Nine Month Period Ended September 30, 2023 (\$)	Nine Month Period Ended September 30, 2022 (\$)
Expenses				
Consulting fees (Note 8)	20,000	-	20,000	93,650
General and administrative	3,221	7,137	14,566	25,903
Management fees (Note 8)	30,000	15,000	90,000	45,000
Professional fees	11,665	6,412	34,095	50,833
Transfer agent and filing fees	2,535	2,250	10,723	13,888
	(67,421)	(30,799)	(169,384)	(229,274)
Finance expense	-	-	-	(3,179)
Interest and other income	-	422	-	20,424
Loss on debt settlement	-	-	-	(228,864)
Gain (loss) on short-term investments (Note 4)	-	-	(5,311)	(6,330)
	-	422	(5,311)	(217,949)
Loss and comprehensive loss	(67,421)	(30,377)	(174,695)	(447,223)
Loss per share:				
Basic	(0.01)	(0.00)	(0.02)	(0.05)
Diluted	(0.01)	(0.00)	(0.02)	(0.05)
Weighted average common shares outstanding:				
Basic	11,345,148	10,235,624	11,345,148	9,590,752
Diluted	11,345,148	10,235,624	11,345,148	9,590,752

See accompanying notes to the condensed interim consolidated financial statements

Supernova Metals Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollars)

(Unaudited)

	Number of Shares	Amount (\$)	Share Subscriptions (\$)	Reserves				Total (\$)
				Options (\$)	RSUs (\$)	Warrants (\$)	Deficit (\$)	
Balance at December 31, 2021	7,034,716	6,971,873	-	385,917	150,000	66,630	(6,956,790)	617,630
Unit issuance - debt settlement	1,204,545	132,500	-	-	-	92,899	-	225,399
Share issuance - private placement	1,996,363	219,600	-	-	-	-	-	219,600
Comprehensive loss	-	-	-	-	-	-	(447,223)	(447,223)
Balance at September 30, 2022	10,235,624	7,323,973	-	385,917	150,000	159,529	(7,404,013)	615,406
Share issuance - debt settlement	809,524	113,332	-	-	-	-	-	113,332
Share issuance - RSUs	300,000	120,000	-	-	(120,000)	-	-	-
Stock options vested	-	-	-	14,908	-	-	-	14,908
Comprehensive loss	-	-	-	-	-	-	(679,858)	(679,858)
Balance at December 31, 2022	11,345,148	7,557,305	-	400,825	30,000	159,529	(8,083,871)	63,788
Share subscriptions received in advance	-	-	21,250	-	-	-	-	21,250
Comprehensive loss	-	-	-	-	-	-	(174,695)	(174,695)
Balance at September 30, 2023	11,345,148	7,557,305	21,250	400,825	30,000	159,529	(8,258,566)	(89,657)

See accompanying notes to the condensed interim consolidated financial statements

Supernova Metals Corp.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Month Period Ended September 30, 2023	Nine Month Period Ended September 30, 2022
	(\$)	(\$)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	(174,695)	(447,223)
Items not affecting cash:		
Interest and other income	-	(20,000)
Loss on debt settlement	-	228,864
Loss on short-term investments	5,311	6,330
Changes in non-cash working capital items:		
Receivables	962	5,929
Prepays	-	1,667
Accounts payable and accrued liabilities	109,461	(36,230)
	(58,961)	(260,663)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	-	(12,109)
Proceeds from sale of short-term investments	30,523	16,170
Reclamation bond refund	561	6,016
	31,084	10,077
FINANCING ACTIVITIES		
Common shares issued for cash, net of issuance costs	-	219,600
Proceeds from note payable	-	100,000
Repayment of note payable	-	(40,000)
Share subscriptions received in advance	21,250	-
	21,250	279,600
Change in cash during the period	(6,627)	29,014
Cash - beginning of period	36,670	105,899
Cash - end of period	30,043	134,913

Supplemental Cash Flow Information (Note 12)

See accompanying notes to the condensed interim consolidated financial statements

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2023

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Supernova Metals Corp. (“Supernova” or the “Company”) was incorporated on November 20, 2000 under the laws of the province of Alberta, Canada and was continued into the province of British Columbia in 2010. The Company’s offices are located at 1090 Hamilton Street, Vancouver, BC, Canada, V6B 2R9. The Company’s shares are traded on the Canadian Securities Exchange (“CSE”) under the symbol “SUPR”.

The Company’s principal business activities are the exploration and evaluation of resource properties (and formerly oil production) in North America. The Company is in the process of exploring its resource properties, but it has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or from proceeds of disposition. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage.

The Company’s continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. If for any reason, the Company is unable to continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company’s financial statements and such adjustments could be material.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company’s working capital is insufficient to support ongoing operations and the Company has incurred ongoing losses and will require additional funding to continue operations for the upcoming year. The above conditions may cast significant doubt on the Company’s ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements, and therefore should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2022, prepared in accordance with IFRS as issued by the IASB.

These condensed interim consolidated financial statements were approved by the Board of Directors of the Company on November 10, 2023.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2023

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Basis of measurement

All references to dollar amounts in these financial statements and related notes are in Canadian dollars, unless otherwise indicated.

These financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the accounts of Supernova and its wholly-owned subsidiary Supernova Metals (US) Corp. ("SMUC") which was incorporated in Arizona, USA.

All inter-company transactions and balances have been eliminated upon consolidation.

Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of both the Company and SMUC is the Canadian dollar.

At the end of each reporting period, assets and liabilities of the entities whose functional currency is not the Canadian dollar are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in other comprehensive income or loss for the year.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2023

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

The following areas required a significant degree of estimation:

Recoverability of exploration and evaluation assets

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model, which incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, and, as a result, changes in subjective input assumptions can materially affect the fair value estimate.

Income taxes

The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

The following areas required a significant degree of judgment:

Functional Currency

The functional currency of the Company and its subsidiary is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of each entity to be the Canadian dollar. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

Non-monetary transactions

Assets exchanged or transferred in non-monetary transactions are measured at the fair value of the asset given up or the fair value of the asset received, whichever is more reliable.

Going Concern

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.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2023

(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies as those used in the Company's audited annual financial statements at December 31, 2022.

4. SHORT-TERM INVESTMENT

Carrying Value			Unrealized	Carrying Value
December 31,	Additions	Dispositions	Gain (Loss)	December 31,
2021				2022
(\$)	(\$)	(\$)	(\$)	(\$)
22,500	25,834	(22,500)	10,000	35,834

Carrying Value			Unrealized	Carrying Value
December 31,	Additions	Dispositions	Gain (Loss)	September 30,
2022				2023
(\$)	(\$)	(\$)	(\$)	(\$)
35,834	-	(35,834)	-	-

Short-term investments as at December 31, 2022 consists of 166,667 common shares of Gander Gold Corp. (GAND.C) received pursuant to the disposal of a mineral property interest (Note 6). The Company shares an officer in common with Gander Gold Corp.

5. RECLAMATION BOND

As at September 30, 2023, the drilling permit for the Cold Springs property (Note 6) requires a refundable reclamation bond totaling \$4,474 (December 31, 2022 - \$5,035), which is held by the US Bureau of Land Management.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2023

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

There were no exploration and evaluation expenditures incurred during the nine month period ended September 30, 2023.

A summary of exploration and evaluation assets by property for the year ended December 31, 2022 is set out below:

Property	Balance at	Additions	Option		Balance at
	December 31,		Payment(s)	Received	December 31,
	2021		Received	Impairment	2022
	(\$)	(\$)	(\$)	(\$)	(\$)
Cape Ray	-	56,000	(25,834)	(30,166)	-
Cold Springs	652,009	2,584	-	(654,592)	1
Lac Saint Simon	-	9,525	-	(9,525)	-
	652,009	68,109	(25,834)	(694,283)	1

A summary of the exploration and evaluation assets by cost category is set out below:

	(\$)
Balance at December 31, 2021	652,009
Claim renewals	2,585
Consulting	9,524
Sampling	56,000
Proceeds of disposition for Cape Ray property	(25,834)
Loss on disposal of Cape Ray property	(30,166)
Impairment	(664,117)
Balance at December 31, 2022 and September 30, 2023	1

Cold Springs, Nevada

On September 1, 2020, as amended on May 11, 2021, the Company entered into an agreement (the "Silver Range Agreement") with Silver Range Resources Ltd. ("Silver Range") wherein it acquired 100% ownership in the Cold Springs gold property located in Nevada, USA in exchange for the payment of \$50,000 in cash (paid) and the issuance of 125,000 common shares (issued) which were valued at \$55,000.

During the year ended December 31, 2022, the Company recorded an impairment on the Cold Springs Property and recorded a write-off of \$654,592.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2023

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Lac Saint Simon, Quebec

On June 1, 2017, the Company acquired a 100% interest in the Lac Saint Simon lithium property located in west-central Quebec in exchange for 78,125 common shares which were valued at \$325,000. On February 3, 2021, the Company entered into an agreement (the “SNR Agreement”) with 79 Resources Ltd. (“SNR”) whereby they could acquire 100% of the project from the Company by issuing 1,500,000 common shares (250,000 shares received at a value of \$47,500), paying \$155,000 (\$25,000 received) in cash and expending \$700,000 on the property by the third anniversary of the SNR Agreement. SNR did not meet the terms of the SNR Agreement and the option was subsequently terminated in February 2022.

During the year ended December 31, 2022, the Company abandoned the Lac Saint Simon property and recorded an impairment of \$9,525.

Cape Ray, Newfoundland

On October 11, 2022, the Company entered into an option agreement with Gander Gold Corp. (“Gander Gold”), a corporation that shares an officer in common with the Company, wherein it could earn a 1% interest in the Cape Ray property located in central Newfoundland in exchange for incurring \$56,000 (incurred) in expenditures by December 31, 2022. Gander Gold retained a right of repurchase until February 28, 2023 under which it could acquire the 1% interest back from the Company in exchange for a cash payment of \$50,000 or the issuance of common shares which would be valued at a price equal to the greater of \$0.30 or the 20 day volume weighted average closing price prior to the date of the notice to repurchase. In December 2022, the Company received 166,667 common shares of Gander Gold valued at \$25,834 and recorded a loss on disposal of \$30,166.

7. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	September 30, 2023	December 31, 2022
	(\$)	(\$)
Trade payables	362	5,593
Related party payables (Note 8)	115,500	-
Accrued liabilities	11,192	12,000
	<u>127,054</u>	<u>17,593</u>

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2023

(Unaudited - Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

Key management includes the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), directors and companies controlled by them. The Company incurred the following transactions with key management of the Company during the nine month periods ended September 30, 2023 and 2022:

	September 30, 2023	September 30, 2022
	(\$)	(\$)
Consulting fees	20,000	17,900
Management fees	90,000	45,000
Professional fees	-	15,000
	<u>110,000</u>	<u>77,900</u>

As at September 30, 2023, a total of \$115,500 (December 31, 2022 - \$Nil) was included in accounts payable and accrued liabilities owing to key management of the Company.

9. SHARE CAPITAL*Authorized share capital*

The Company’s authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preference shares without par value.

*Issued share capital*Nine month period ended September 30, 2023

There were no transactions.

Year ended December 31, 2022

On February 25, 2022, the Company completed a non-brokered private placement wherein it issued 1,996,363 common shares at \$0.11 per share for proceeds of \$219,600.

On February 25, 2022, the Company completed debt settlements wherein it issued 1,204,545 units with a fair value \$226,399 to settle \$100,000 in notes payable and \$32,500 in related party accounts payable, resulting in a loss on debt settlements of \$92,899. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.145 per common share expiring on February 25, 2024. The fair value of the share purchase warrants was determined to be \$92,899 using the Black-Scholes option pricing model using volatility of 158%, expected option life of 2 years, and a risk-free rate of 1.53%.

On November 30, 2022, the Company completed a debt settlement wherein it issued 809,524 common shares valued at \$113,332 to settle \$85,000 in related party accounts payable and recorded a loss on debt settlement of \$28,332.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2023

(Unaudited - Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

During the year ended December 31, 2022, the Company issued 300,000 common shares pursuant to the exercise of RSUs. As a result of the RSU exercises, a total of \$120,000 was transferred from reserves to share capital.

Omnibus Compensation Plan

On March 28, 2023, the shareholders of the Company approved a new 10% rolling omnibus compensation plan ("Omnibus Plan) to replace the existing incentive stock option and RSU plans. The Omnibus Plan provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options and RSUs to acquire common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

Stock options and RSUs may be exercised no later than 90 days following cessation of the holder's position with the Company.

There were no stock options or RSUs issued during the nine month period ended September 30, 2023.

A continuity schedule of the Company's RSUs is as follows:

	Number of RSUs
Balance, December 31, 2021	375,000
Exercised	(300,000)
Balance, December 31, 2022 and September 30, 2023	75,000

The outstanding RSUs have an expiry date of December 31, 2024.

The continuity of the Company's stock options is as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, December 31, 2021	–	–
Granted	100,000	0.15
Balance, December 31, 2022 and September 30, 2023	100,000	0.15

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2023

(Unaudited - Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

A summary of the Company's stock options at September 30, 2023 is as follows:

Exercise Price	Options Outstanding		Options Exercisable	
	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Options Exercisable	Weighted Average Remaining Contractual Life
(\$) 0.15	100,000	(yrs) 4.18	100,000	(yrs) 4.18

The fair value of stock options recognized as an expense during the year ended December 31, 2022 was \$14,908.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of stock options granted represents the period of time that stock options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the stock option is based on the Canadian government bond rate. Assumptions used for stock options granted during the year ended December 31, 2022 were as follows:

Grant Date	Number of Options	Expected Price Volatility	Risk Free Interest Rate	Expected Life	Expected Dividend Yield	Fair Value Per Option	Total Fair Value
December 5, 2022	100,000	(%) 159	(%) 2.94	(yrs) 5.00	(%) -	(\$) 0.15	(\$) 14,908

Warrants

A continuity schedule of the Company's warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2021	125,000	0.56
Issued	1,204,545	0.145
Expired	(125,000)	0.56
Balance, December 31, 2022 and September 30, 2023	1,204,545	0.145

As at September 30, 2023, there are 1,204,545 share purchase warrants outstanding and exercisable at \$0.145 per share until February 25, 2024.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2023

(Unaudited - Expressed in Canadian dollars)

10. FINANCIAL RISK MANAGEMENT

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:

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. The Company's primary exposure to credit risk is on its cash held in bank accounts as well as receivables. The majority of cash is deposited in bank accounts held with major banks in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

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 prepares a general operating budget to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company uses its best efforts 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 financial liabilities consist of accounts payable and accrued liabilities, all of which are due within twelve months.

The Company is exposed to liquidity risk.

Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for base and precious metals are impacted by world economic events that dictate the levels of supply and demand. The Company had no hedging contracts in place as at or during the period ended September 30, 2023.

Price risk

Price risk is the risk that a short-term investment which is publicly traded on a recognized stock exchange will fluctuate in value.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2023

(Unaudited - Expressed in Canadian dollars)

10. FINANCIAL RISK MANAGEMENT (continued)***Foreign exchange risk***

The Company's functional and presentation currency is the Canadian dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates in its US subsidiary. The Company also has certain assets and liabilities denoted in US dollars. A 10% change in the currency exchange rates between the Canadian dollar relative to the US dollar would have an effect on the Company's results of operations, financial position and/or cash flows of approximately \$116. The Company has not hedged its exposure to currency fluctuations.

Classification of financial instruments

The Company classifies its other financial assets and other financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within 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 is not based on observable market data (unobservable inputs).

Financial assets included in the statement of financial position are cash, receivables, short-term investments and reclamation bond. Financial liabilities included in the statement of financial position include accounts payable and accrued liabilities. The fair value of cash, receivables, and accounts payable approximate the carrying amount due to their short term to maturity. The fair value of the short-term investments is measured using level 1 of the fair value hierarchy. The fair value of the reclamation bonds approximates their fair value based on current interest rates. The effect of changes in the Company's credit risk do not have a significant impact on the fair value due to the short term to maturity.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the components of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the period ended September 30, 2023.

SUPERNOVA METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2023

(Unaudited - Expressed in Canadian dollars)

11. SEGMENTED INFORMATION

The Company has one reportable business segment being precious metal exploration. Assets by geographical area are as follows:

	September 30, 2023	December 31, 2022
	(\$)	(\$)
Current assets		
Canada	32,922	76,345
USA	-	-
	<u>32,922</u>	<u>76,345</u>
Non-current assets		
Canada	-	1
USA	4,475	5,035
	<u>4,475</u>	<u>5,036</u>
Total assets		
Canada	32,922	76,346
USA	4,475	5,035
	<u>37,397</u>	<u>81,381</u>

12. SUPPLEMENTAL CASH FLOW INFORMATION

	September 30, 2023	September 30, 2022
	(\$)	(\$)
Non-cash investing and financing activities:		
Settlement of accounts payable through the issuance of common shares	-	32,500
Settlement of notes payable through the issuance of units	-	100,000
Interest paid during the period	-	3,179
Income taxes paid during the period	-	-

13. SUBSEQUENT EVENT

On October 3, 2023, the Company completed a non-brokered private placement wherein it issued 3,076,923 units at \$0.065 per unit for aggregate proceeds of \$200,000. Each unit is comprised of a common share and a share purchase warrant which entitles the holder to acquire an additional common share at a price of \$0.10 for a period of two years from the issuance date. No finder's fees were paid in connection with the financing. As at September 30, 2023, a total of \$21,250 in subscription proceeds had been received.