



evminerals corporation

Condensed Interim Financial Statements Three and Six Months Ended June 30, 2023 (expressed in Canadian dollars) (unaudited)

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, the financial statements 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 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 Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.



Statements of Financial Position
(expressed in Canadian dollars)
(unaudited)

	Notes	June 30, 2023 \$	December 31, 2022 \$
Assets			
Current			
Cash		397,921	89,320
Receivables		63,766	56,490
Prepaid expenses		109,720	11,587
Non-refundable default judgment payment	6	-	295,000
		571,407	452,397
Exploration and evaluation	4	478,780	226,023
Total assets		1,050,187	678,420
Liabilities			
Current			
Accounts payable and accrued liabilities		222,964	82,991
Due to related parties	10	66,559	141,762
Default judgment payable	6	-	39,835,907
Total liabilities		289,523	40,060,660
Shareholders' equity (deficiency)			
Share capital	7	56,641,096	55,625,895
Warrants	7	11,000	-
Contributed surplus		3,948,590	3,948,590
Deficit		(59,840,022)	(98,956,725)
Total shareholders' equity (deficiency)		760,664	(39,382,240)
Total liabilities and shareholders' equity (deficiency)		1,050,187	678,420
Going concern	1		
Subsequent events	11		

Approved by the Board:

Nicholas Konkin
Director

Chris Irwin
Director

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



Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)

(unaudited)

Period ended June 30,	Notes	Three months		Six months	
		2023	2022	2023	2022
		\$	\$	\$	\$
					(Restated - see note 12)
Expenses					
Professional fees	10	16,259	20,399	39,363	23,330
Consulting fees	10	93,704	-	209,204	-
Public company costs		18,547	4,280	21,751	5,821
Investor relations		29,500	-	33,653	-
General and administration		4,516	33	4,823	103
Travel		1,309	-	4,037	-
Foreign exchange loss		385	(1,887)	392,138	(1,368)
Interest	6	(31)	1,037,253	965,419	2,074,506
Gain on settlement of default judgment payable	6	-	-	(40,787,091)	-
		164,190	1,060,079	(39,116,703)	2,102,392
Net (loss) income and comprehensive (loss) income		(164,190)	(1,060,079)	39,116,703	(2,102,392)
(Loss) income per common share-basic		(0.00)	(0.02)	0.55	(0.03)
(Loss) income per common share-diluted		(0.00)	(0.02)	0.55	(0.03)
Weighted average number of common shares-basic		75,058,071	60,497,890	71,436,003	60,497,890
Weighted average number of common shares-diluted		75,058,071	60,497,890	71,561,263	60,497,890

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



Statements of Changes in Shareholders' Deficit

(expressed in Canadian dollars)

(unaudited)

	Share capital		Warrants	Contributed surplus	Currency translation adjustment	Deficit	Total
	Common shares						
	Number	\$					
Balance, December 31, 2022	66,472,793	55,625,895	-	3,948,590	-	(98,956,725)	(39,382,240)
Private placement of common shares	7,350,000	735,000	-	-	-	-	735,000
Fair value of broker warrants issued	-	(11,000)	11,000	-	-	-	-
Share issue costs	-	(37,587)	-	-	-	-	(37,587)
Shares issued for property option payment	1,250,000	125,000	-	-	-	-	125,000
Shares-for-debt settlement	933,400	93,340	-	-	-	-	93,340
Issue of common shares for settlement of default judgment payable	1,104,485	110,449	-	-	-	-	110,449
Net income	-	-	-	-	-	39,116,703	39,116,703
Balance, June 30, 2023	77,110,678	56,641,096	11,000	3,948,590	-	(59,840,022)	760,665

	Share capital		Warrants	Contributed surplus	Currency translation adjustment	Deficit	Total
	Common shares						
	Number	\$					
Balance, December 31, 2021 (restated - note 12)	60,497,890	53,322,661	-	3,269,005	2,042,394	(91,945,930)	(33,311,870)
Foreign currency adjustment	-	2,052,488	-	125,830	(1,282,237)	(3,520,553)	(2,624,472)
Change in accounting policy (note 12)	-	-	-	-	(760,157)	-	(760,157)
Net loss	-	-	-	-	-	(2,102,392)	(2,102,392)
Balance, June 30, 2022	60,497,890	55,375,149	-	3,394,835	-	(97,568,875)	(38,798,891)

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



Statements of Cash Flows

(expressed in Canadian dollars)

(unaudited)

Period ended June 30,	Notes	2023 \$	2022 \$ (Restated - note 12)
Cash provided by (used in) :			
Operating activities			
Income (loss) for the period		39,116,703	(2,102,392)
Item not affecting cash			
Foreign exchange loss		391,182	11,556
Interest not paid	6	965,450	2,074,506
Gain on settlement of default judgment payable		(40,787,091)	-
Changes in non-cash operating working capital			
Receivables		(7,276)	(316)
Prepays		(98,133)	-
Accounts payable and accrued liabilities		233,313	7,219
		(185,852)	(9,427)
Financing activities			
Advances from related parties		(75,203)	-
Private placement	7	735,000	-
Share issue costs	7	(37,587)	-
		622,210	-
Investing activities			
Exploration and evaluation		(127,757)	-
		(127,757)	-
Net change in period		308,601	(9,427)
Cash, beginning of period		89,320	21,063
Cash, end of period		397,921	11,636
Non-cash transactions			
Issue of common shares			
Property option payment		125,000	-
Shares-for-debt settlement		93,340	-
Settlement of default judgment payable		110,449	-

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



Notes to Condensed Interim Financial Statements
Three and six months ended June 30, 2023
(expressed in Canadian dollars)
(unaudited)

1. Nature of operations and going concern

EV Minerals Corporation (the “Company”) is a public company engaged in the exploration and development of a nickel-copper-cobalt property in Québec.

The Company is incorporated under the laws of Ontario and its registered office is located at 100 King Street West, Suite 5600, Toronto, Ontario, M5X 1C9.

The Company is a mineral exploration company which does not generate revenue. For the six months ended June 30, 2023, the Company incurred a cashflow deficit from operations of \$185,852 (2022 - \$9,427). The cashflow deficits from operations limit the Company’s ability to fund its operations and the acquisition, exploration, and development of its mineral properties.

The continued operation of the Company is dependent upon the Company’s ability to secure equity financing to fund its operations and the acquisition, exploration and development of mineral properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

These uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to 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. These condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

2. Basis of presentation

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board.

The accounting policies used in these condensed interim financial statements are consistent with those disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2022.

These condensed interim financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2022.

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on August 28, 2023.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company’s functional currency. See note 12, *Change in functional and presentation currency*.

3. Significant accounting policies

These Interim Financial Statements have been prepared on the historical cost basis except as explained in the accounting policies set out in note 3 of the Company's Annual Financial Statements. These Interim Financial Statements have been prepared on an accrual basis except for cash flow information.

Significant Accounting Judgments and Estimates

The preparation of these interim financial statements requires management ("Management") to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future that Management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The recoverability of sundry receivables which are included in the statements of financial position;
- **Asset carrying values and impairment charges:** in the determination of carrying values and impairment charges, Management looks at the higher of recoverable amount, fair value less costs to sell in the case of assets, and significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that Management make a decision based on the best available information at each reporting period;
- **Foreign currency translation:** Effective September 1, 2022, the functional and presentation currency of the Company is the Canadian dollar. The functional currency of the Company is the currency of the primary economic environment in which each entity operates. Determination of the change in 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.
- **Restoration, rehabilitation and environmental obligations:** Management determines there are no material restoration, rehabilitation and environmental obligations, based on the facts and circumstances that existed in the current period that would trigger recognition of the provision in accordance with IAS 37, "*Provisions, contingent liabilities and contingent assets*";
- **Fair value of options and warrants:** management determines the fair value of warrants and stock options using the Black-Scholes option pricing model; and
- **Shares for debt:** The Company exercised judgment in determining the fair value of the debt settled with shares to be the fair value of the shares issued (see note 5).
- **Income, value added, withholding and other taxes:** The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- **Valuation of the refundable mining duties credit and the refundable tax credit for resources:** The refundable mining duties credit and the refundable tax credit for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments and payments has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods.

Standards issued and effective for annual periods beginning on or after January 1, 2023

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023. **Presentation of Financial Statements ("IAS 1")** was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

The Company is currently assessing the impact of these standards and amendments.

4. Exploration and evaluation

On September 26, 2022, the Company was granted an option to acquire a 100% interest in Poissons Blanc, a nickel-copper-cobalt property comprised of 32 mineral claims covering approximately 1,797 hectares in the Saguenay Mining district in the Province of Québec ("Option").

In order to complete the acquisition of Poissons Blanc, the Company must make option payments, issue common shares, and incur exploration expenditures, as follows:

	Option payments		Common shares		Exploration expenditures
	US\$	C\$	Number	Fair value C\$	US\$
July 29, 2022 (paid and issued)	12,600	58,000	1,250,000	62,500	–
April 15, 2023 (shares issued; see note 11, <i>Subsequent events, Option</i>)	25,000	50,000	1,250,000	–	400,000
April 15, 2024	25,000	50,000	1,250,000	–	400,000
April 15, 2025	500,000	500,000	1,250,000	–	400,000
	562,600	658,000	5,000,000	62,500	1,200,000

The Company has the option to pay the \$500,000 due on April 15, 2025 by issuing common shares based on the 20-day weighted average trading price per common share.

Upon completion of the Option, the Company will grant a 5% net smelter royalty (“NSR”). The Company will have the option to reduce the NSR to 2.5% by making a payment of \$2,000,000 within 3 years from the date of issuance of the NSR.

With respect to the obligations under the Option that were due on April 15, 2023, the Company paid \$25,000 of the \$50,000 amount owing and issued 1,250,000 common shares in April 2023. The optionee agreed to defer cash payment of the option payments of US\$25,000, the remaining \$25,000, and the exploration expenditures of US\$400,000 until the Company completes a private placement.

5. Debt settlements

On May 29, 2023, the Company settled \$93,340 of indebtedness to arm’s length and non-arm’s length creditors through the issuance of 933,400 common shares at a price of \$0.10 per common share.

6. Default judgment payable

	\$
Balance, December 31, 2022	39,835,907
Interest to March 14, 2023	965,450
Foreign exchange loss to March 14, 2023	391,183
Settlement	
Non-refundable default judgment payment	(295,000)
Issue of common shares (note 7)	(110,449)
Gain on settlement	(40,787,091)
Balance, June 30, 2023	–

On September 26, 2022, the Company entered into a settlement agreement to settle the default judgment payable. In exchange for release of the default judgment payable, the Company agreed to issue 7,004,485 common shares. At December 31, 2022, the Company had issued 5,900,000 common shares with a fair value of \$295,000 based on the common share price of \$0.05 for the private placement completed on September 15, 2022, which was recorded as non-refundable default judgment payment on the statement of financial position.

On March 14, 2023, the Company completed the settlement of the default judgment payable by issuing 1,104,485 common shares with a fair value of \$110,449 based on the common share price of \$0.10 for the private placement completed on March 14, 2023. The Company recorded a gain of \$40,787,091 on the settlement of the default judgment payable.

7. Share capital

Authorized

An unlimited number of special shares issuable in series

An unlimited number of common shares.

Issued

	Number of common shares	\$
Balance, December 31, 2022	66,472,793	55,625,895
Private placement of common shares	7,350,000	735,000
Fair value of warrants	–	(11,000)
Share issue costs	–	(37,587)
Shares issued for property payment	1,250,000	125,000
Shares issued to settle debt	933,400	93,340
Settlement of default judgment payable (note 6)	1,104,485	110,449
Balance, June 30, 2023	77,110,678	56,641,096

Private placement of common shares

On March 14, 2023, the Company announced its intention to complete a private placement of up to 10,000,000 common shares at a price of \$0.10 per common share for gross proceeds of up to \$1,000,000 (the "Private Placement") and the closing of the first tranche of 5,400,000 common shares for gross proceeds of \$540,000. In connection with the first tranche, the Company paid a cash commission of \$20,800 and issued 208,000 broker warrants entitling the holder to purchase one common share for \$0.10 until March 14, 2025. On May 29, 2023, the Company completed the closing of the second tranche of 1,950,000 common shares at a price of \$0.10 per common share for gross proceeds of \$195,000. Aggregate gross proceeds received in connection with this financing was \$735,000 for a total of 7,350,000 shares issued.

See note 11, *Subsequent events, Private Placement*.

The fair value of the 208,000 broker warrants was calculated using the Black-Scholes option pricing model with the following inputs and assumptions: issue date of March 14, 2023; expiry date of March 14, 2025; risk-free rate interest rate of 3.72%, exercise price of \$0.10; underlying share price of \$0.10; expected volatility of 100%, and expected dividend yield of 0%. The fair value assigned to these broker warrants was \$11,000.

Warrants

A continuity of the Company's warrants is presented below:

	Weighted-average exercise price \$	Number of warrants	Fair value on date of issuance
Balance, December 31, 2022	–	–	–
Issued (note 7)	0.10	208,000	11,000
Balance, June 30, 2023	0.10	208,000	11,000

A summary of the Company's outstanding warrants is presented below:

Exercise price	Number of Warrants outstanding	Weighted average remaining life – years	Expiry date
\$0.10	208,000	1.71	March 14, 2025

The weighted average remaining contractual life of the outstanding warrants is 2 years.

8. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Receivables, accounts payable and accrued liabilities and due to related parties

The fair value of receivables, accounts payable and accrued liabilities and due to related parties approximates their carrying values due to the short term to maturity.

Classification of fair value of financial instruments

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1: quoted prices in active markets for identical assets and liabilities;

Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3: inputs for the asset or liability that are not based on observable market data.

The Company classified the fair value of the settlement of the default judgment payable with common shares as level 3.

9. Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its operations and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from the Company's cash and receivables. The Company's limits its exposure to credit risk on its cash by holding its cash in deposits with a Canadian chartered bank.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due, other than amounts owing to related parties. The continued operation of the Company is dependent upon the Company's ability to settle its outstanding liabilities including the default judgment payable and secure equity to identify, evaluate and acquire assets, properties or businesses, meet its existing obligations and fund its operations. See note 2, *Going concern*. At June 30, 2023, the Company had cash of \$397,921 (December 31, 2022 - \$89,320) to settle current liabilities of \$289,523 (December 31, 2022 - \$40,060,660). The Company's financial liabilities generally have contractual maturities of less than 30 days.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Foreign exchange risk

Foreign exchange risk is the risk of financial loss to the Company due to a change in foreign exchange rates. The Company is exposed to foreign currency fluctuations in US dollars. Such exposure arises primarily from exploration option payments that are denominated in US dollars.

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At June 30, 2023, with the settlement of the default judgment payable, which was denominated in US dollars, the Company is not exposed to interest rate risk.

Capital management

Capital of the Company consists of share capital, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire a business for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future

development of 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.

As the Company is a mineral exploration company which does not generate revenue, its principal source of capital is from the issuance of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

10. Related party balances and transactions

Related parties as defined by IAS 24 - *Related Party Disclosures* include members of the Board of Directors, key management personnel, and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling activities of the Company being directors and executive management, comprising of the Chief Executive Officer and the Chief Financial Officer.

The transactions noted below are in the normal course of business and are approved by the Board of Directors in adherence to conflict-of-interest laws and regulations.

The remuneration of directors and key management personnel of the Company was as follows:

Periods ended June 30,	Three months		Six months	
	2023	2022	2023	2022
	\$	\$	\$	\$
Consulting fees	48,704	-	104,204	-
Professional fees	10,009	10,713	26,863	10,713
Share issue costs	9,829	-	16,787	-
	68,542	10,713	147,854	10,713

Consulting fees include amounts paid to Grove Corporate Services Ltd., ("Grove"), a private company through which the services of the CEO and director, CFO, and Corporate Secretary are provided.

Professional fees and share issue costs include amounts paid to Irwin Lowy LLP, a law firm with a partner, Chris Irwin, who is a director of the Company.

At June 30, 2023, a total of \$66,559 (December 31, 2022 - \$141,762) is owed to officers, directors, and companies controlled by officers and directors. These amounts are due on demand, unsecured, non-interest-bearing, and with no fixed terms of repayment.

See note 5, *Debt settlements*.

11. Subsequent events

Option

With respect to the obligations under the Option Agreement (note 4) that were due on April 15, 2023, the optionee agreed to defer the payment of the option payments of US\$25,000 and \$25,000 and the exploration expenditures of US\$400,000 until the Company completes a private placement. In August 2023, the Company paid \$15,000 to the optionee towards the outstanding balance.

Private Placement

With respect to the Private Placement, on July 21, 2023 and August 16, 2023, the Company completed the closing of the first and second tranches of a non-brokered private placement through the issuance of 1,740,600 flow-through units ("FT Unit") at a price of \$0.17 per FT Unit for gross proceeds of \$295,902 (the "Offering").

Each FT Unit is comprised of one common share, issued on a flow-through basis ("FT Share") and one half of one common share purchase warrant, issued on a non-flow-through basis (each a whole warrant, a "FT Warrant"). Each FT Warrant shall entitle the holder thereof to acquire one common share in the capital of the Company (each, a "Common Share") at a price of \$0.25 per Common Share for a period of two (2) years from date of issuance.

Options to purchase shares

On July 12, 2023, 6,400,000 options to purchase common shares of the Company were granted to directors, officers, and consultants of the Company with an exercise price of \$0.15 and a term to expiry of three years.

12. Change in functional and presentation currency

Considering that the Company completed a Canadian dollar private placement and acquired an option to acquire a Canadian mineral property and future financings and expenditure will be denominated in Canadian dollars, effective September 1, 2022, the Company changed its functional currency from US dollars to Canadian dollars. The effect of the change in functional currency is accounted for prospectively.

Effective September 1, 2022, the Company changed its presentation currency from the US dollar to the Canadian dollar. The change in presentation currency is to better reflect the Company's business activities. This change has been applied retrospectively as if the new presentation currency had always been the Company's presentation currency.

For comparative purposes, the statements of loss and comprehensive loss for the three and six months ended June 30, 2022 include adjustments to reflect the change in presentation currency from US dollars to Canadian dollars. The amounts previously reported in US dollars have been translated into Canadian dollars at the average annual exchange rate of \$1.3166 for the three and six months ended June 30, 2022. The effect of the translation is as follows:

	3 months ended June 30, 2022		6 months ended June 30, 2022	
	As reported US\$	Translated C\$	As reported US\$	Translated C\$
Expenses				
Professional fees	15,494	20,399	17,720	23,330
Public company costs	3,251	4,280	4,421	5,821
General and administration	25	33	78	103
Foreign exchange loss	(1,433)	(1,887)	(1,039)	(1,368)
Interest	787,827	1,037,253	1,575,654	2,074,506
	805,164	1,060,079	1,596,834	2,102,392
Loss and comprehensive loss	(805,164)	(1,060,079)	(1,596,834)	(2,102,392)