evminerals corporation

Condensed Interim Financial Statements
Three and Nine Months Ended September 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	September 30, 2023	December 31, 2022
		$	$
Assets			
Current			
Cash		**468,587**	89,320
Receivables		**76,828**	56,490
Prepaid expenses		**94,720**	11,587
Non-refundable default judgment payment	6	**-**	295,000
		640,135	452,397
Exploration and evaluation	4	**516,937**	226,023
Total assets		**1,157,072**	678,420
Liabilities			
Current			
Accounts payable and accrued liabilities		**217,413**	82,991
Due to related parties	10	**50,346**	141,762
Default judgment payable	6	**-**	39,835,907
Premium liability on flow-through shares		**25,506**	-
Total liabilities		**293,265**	40,060,660
Shareholders' equity (deficiency)			
Share capital	7	**56,801,999**	55,625,895
Warrants	7	**99,738**	-
Contributed surplus		**4,678,783**	3,948,590
Deficit		**(60,716,713)**	(98,956,725)
Total shareholders' equity (deficiency)		**863,807**	(39,382,240)
Total liabilities and shareholders' equity (deficiency)		**1,157,072**	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 September 30,	Notes	Three months 2023	Three months 2022	Nine months 2023	Nine months 2022
		$	$	**$**	$
Expenses					
Professional fees	10	**13,198**	8,675	**52,561**	32,005
Consulting fees	10	**82,500**	95,000	**291,704**	95,000
Public company costs		**9,559**	2,502	**31,310**	8,323
Investor relations		**34,500**	-	**68,153**	-
General and administration		**169**	65	**4,992**	167
Travel		**6,572**	-	**10,609**	-
Foreign exchange loss		**-**	1,533,159	**392,138**	1,531,792
Interest	6	**-**	1,051,461	**965,419**	3,125,967
Gain on settlement of default judgment payable	6	**-**	-	**(40,787,091)**	-
Share-based compensation		**730,193**	-	**730,193**	-
		876,690	2,690,862	**(38,240,012)**	4,793,254
Net (loss) income and comprehensive (loss) income		**(876,690)**	(2,690,862)	**38,240,012**	(4,793,254)
(Loss) income per common share-basic		**(0.01)**	(0.04)	**0.52**	(0.08)
(Loss) income per common share-diluted		**(0.01)**	(0.04)	**0.50**	(0.08)
Weighted average number of common shares-basic		**78,393,648**	63,566,368	**73,780,704**	61,531,956
Weighted average number of common shares-diluted		**78,393,648**	63,566,368	**76,076,075**	61,531,956

evminerals corporation

Statements of Changes in Shareholders' Deficit

(expressed in Canadian dollars)
(unaudited)

	Share capital Common shares		Warrants	Contributed surplus	Currency translation adjustment	Deficit	Total
	Number	$	$	$	$	$	$
Balance, December 31, 2022	66,472,793	55,625,895	-	4,678,783	-	(98,956,725)	(38,652,047)
Private placement of common shares	9,090,600	1,030,902	-	-	-	-	1,030,902
Fair value of warrants	-	(99,738)	99,738	-	-	-	-
Share issue costs	-	(58,343)	-	-	-	-	(58,343)
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
Premium on flow-through shares	-	(25,506)	-	-	-	-	(25,506)
Net income	-	-	-	-	-	38,240,012	38,240,012
Balance, September 30, 2023	**78,851,278**	**56,801,999**	**99,738**	**4,678,783**	**-**	**(60,716,713)**	**863,807**

	Share capital Common shares		Warrants	Contributed surplus	Currency translation adjustment	Deficit	Total
	Number	$	$	$	$	$	$
Balance, December 31, 2021 (restated - note 12)	60,497,890	53,322,661	-	3,269,005	-	(89,903,536)	(33,311,870)
Foreign currency adjustment	-	2,052,489	-	125,830	-	(3,460,556)	(1,282,237)
Change in accounting policy (note 12)	-	-	-	-	-	-	-
Private placement of common shares	5,900,000	495,000	-	-	-	-	495,000
Share issue costs	-	(48,000)	-	-	-	-	(48,000)
Option payment	1,250,000	62,500	-	-	-	-	62,500
Non-refundable default judgment payment	5,900,000	295,000	-	-	-	-	295,000
Net loss	-	-	-	-	-	(4,793,254)	(4,793,254)
Balance, September 30, 2022	73,547,890	56,179,650	-	3,394,835	-	(98,157,345)	(38,582,861)

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

evminerals corporation

Statements of Cash Flows

(expressed in Canadian dollars)
(unaudited)

Period ended September 30,	Notes	2023	2022
		$	$
Cash (used in) provided by:			
Operating activities			
Income (loss) for the period		**38,240,012**	(4,793,254)
Item not affecting cash			
Foreign exchange loss		**391,182**	1,531,792
Interest not paid	6	**965,450**	3,125,967
Gain on settlement of default judgment		**(40,787,091)**	-
Share-based compensation		**730,193**	-
Changes in non-cash operating working capital			
Receivables		**(20,338)**	(20,019)
Prepaids		**(83,133)**	-
Accounts payable and accrued liabilities		**227,762**	5,917
		(335,964)	(149,597)
Financing activities			
Advances from related parties		**(91,416)**	(10,897)
Private placement	7	**1,030,902**	495,000
Share issue costs	7	**(58,342)**	(48,000)
		881,145	436,103
Investing activities			
Exploration and evaluation		**(165,914)**	(75,000)
		(165,914)	(75,000)
Net change in period		**379,267**	211,507
Effect of exchange rate changes on cash		**-**	1,878
Cash, beginning of period		**89,320**	20,282
Cash, end of period		**468,587**	233,667
Non-cash transactions			
Issue of common shares			
Property option payment		**125,000**	62,500
Shares-for-debt settlement		**93,340**	-
Settlement of default judgment payable		**110,449**	-
Non-refundable default judgement payment		**-**	295,000

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

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, Canada.

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 public company and a reporting issuer in Ontario, British Columbia, Alberta, and Manitoba. EVM commenced trading on the Canadian Securities Exchange ("CSE") on June 19, 2023 under the symbol "EVM".

The Company is a mineral exploration company which does not generate revenue. For the nine months ended September 30, 2023, the Company incurred a cashflow deficit from operations of $335,964 (2022 - $149,597). 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 November 27, 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 (the "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 Number	Common shares Fair value	Exploration expenditures
	US$	C$		C$	US$
July 29, 2022 (paid and issued)	12,600	58,000	1,250,000	62,500	–
April 15, 2023 (paid and issued)	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. In August 2023, an additional cash payment of $15,000 was made. The remaining $10,000 was paid in September 2023.

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, September 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	9,090,600	1,030,902
Fair value of warrants	–	(99,738)
Share issue costs	–	(58,343)
Shares issued for property payment (note 4)	1,250,000	125,000
Shares issued to settle debt (note 5)	933,400	93,340
Settlement of default judgment payable (note 6)	1,104,485	110,449
Premium on flow-through shares	–	(25,506)
Balance, September 30, 2023	78,851,278	56,801,999

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.

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.

On July 21, 2023, the Company closed the first tranche of a non-brokered private placement through the issuance of 1,470,600 flow-through units (each a "FT Unit") at a price of $0.17 per FT Unit for gross proceeds of $250,000. Each FT Unit is comprised of one common share of the Company, and one half of one common share purchase warrant. The fair value of the 735,300 warrants was calculated using the Black-Scholes option pricing model with the following inputs and assumptions: issue date of July 21, 2023; expiry date of July 21, 2025; risk-free rate interest rate of 4.58%, exercise price of $0.25, underlying share price of $0.16; expected volatility of 131% and expected dividend yield of 0%. The fair value of the warrants was $68,462.

In connection with the first tranche of this financing, the Company paid certain eligible finders an aggregate of $17,500 in cash and issued 102,942 finder's warrants. The fair value of the 102,942 broker warrants was calculated using the Black-Scholes option pricing model with the following inputs and assumptions: issue date of July 21, 2023; expiry date of July 21, 2025; risk-free rate interest rate of 4.58%, exercise price of $0.17, underlying share price of $0.16; expected volatility of 131% and expected dividend yield of 0%. The fair value assigned to these broker warrants was $10,740.

On August 17, 2023, the Company completed the closing of a second tranche of 270,000 flow-through units at a price of $0.17 per FT Unit for gross proceeds of $45,900. Each FT Unit is comprised of one common share of the Company, and one half of one common share purchase warrant. The fair value of the 135,000 warrants was calculated using the Black-Scholes option pricing model with the following inputs and assumptions: issue date of August 17, 2023; expiry date of August 17, 2025; risk-free rate interest rate of 4.80%, exercise price of $0.25, underlying share price of $0.13; expected volatility of 131% and expected dividend yield of 0%. The fair value of the warrants was $9,536.

See note 4, *Exploration and evaluation*, regarding shares issued to purchase property.

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, March 14, 2023	0.10	208,000	11,000
Issued, July 21, 2023	0.17	102,942	10,740
Issued, July 21, 2023	0.25	735,300	68,462
Issued, August 17, 2023	0.25	135,000	9,536
Balance, September 30, 2023	**0.22**	**1,181,242**	**99,738**

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	1.45	March 14, 2025
$0.17	102,942	1.81	July 21, 2025
$0.25	735,300	1.81	July 21, 2025
$0.25	135,000	1.88	August 17, 2025
$0.22	1,181,242	1.75	

The weighted average remaining contractual life of the outstanding warrants is 1.75 years.

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.

The fair value of the options was calculated using the Black-Scholes option pricing model with the following inputs and assumptions: grant date of July 12, 2023; expiry date of June 30, 2026; risk-free rate interest rate of 4.33%; exercise price of $0.15; underlying share price of $0.13; expected volatility of 131%; and an expected dividend yield of 0%. The fair value of the options was $730,193.

	Weighted-average exercise price $	Number of options	Fair value on date of issuance $
Balance, December 31, 2022	–	–	–
Granted	0.15	6,400,000	730,193
Balance, September 30, 2023	**0.15**	**6,400,000**	**730,193**

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

Exercise price	Number of Warrants outstanding	Weighted average remaining life – years	Expiry date
$0.15	6,400,000	2.75	June 30, 2026
$0.15	6,400,000	2.75	

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 number 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 September 30, 2023, the Company had cash of $468,587 (December 31, 2022 - $89,320) to settle current liabilities of $293,265 (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 September 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:

	Three months		**Nine months**	
Period ended September 30,	**2023**	2022	**2023**	2022
	$	$	**$**	$
Consulting fees (Grove)	**37,500**	-	**141,704**	-
Professional fees (Irwin)	**6,948**	-	**32,791**	10,713
Share issue costs (irwin)	**-**	-	**20,041**	-
Share-based compensation	**456,371**	-	**456,371**	-
	500,818	-	**650,907**	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 September 30, 2023, a total of $50,346 (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

Flow-through Private Placement

On October 25, 2023, the Company announced the closing of a non-brokered private placement to issue 4,192,727 flow-through units (each, a “FT Unit”) at a price of $0.11 per FT Unit for aggregate gross proceeds of $461,200 (the “Offering”).

Each FT Unit is comprised of one common share, issued on a flow-through basis (each, a “FT Share”), and one common share purchase warrant, issued on a non-flow-through basis (each, a "Warrant"). Each Warrant shall entitle the holder thereof to acquire one common share in the capital of the Company at a price of $0.15 per Common Share for a period of two (2) years from the date of issuance.

In connection with this financing, the Company paid cash of $31,514 and issued 286,491 finder’s warrants to certain eligible finders. Each finder’s warrant entitles the holder to acquire one common share of the Company at $0.11 per common share for two years from the date of issuance.

Unit Private Placement

On November 15, 2023, the Company announced a non-brokered private placement to issue up to 25,000,000 units (each, a “Unit”) at a price of $0.10 per FT Unit for aggregate gross proceeds of up to $2,500,000 (the “November Offering”).

Each Unit is comprised of one common share (each, a “Common Share”), and one common share purchase warrant (each, a "Warrant"). Each Warrant shall entitle the holder thereof to acquire one Common Share in the capital of the Company at a price of $0.12 per Common Share for a period of one (1) year from the date of issuance.

Proceeds of the offering will be used for continued exploration of the Company’s Nickel-Copper-Cobalt property located in Quebec, and for general working capital purposes. The securities issued in connection with the November Offering will be subject to a hold period of four months and one day. Closing of the November Offering is subject to receipt of regulatory and other approvals, including that of the CSE.

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.