YORK HARBOUR
METALS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

York Harbour Metals Inc.

(An exploration stage company)
(Formerly Phoenix Gold Resources Corp.)

For the three and nine months ended October 31, 2022 and 2021

(Expressed in Canadian dollars)

(Unaudited)

York Harbour Metals Inc.

Condensed Interim Consolidated Financial Statements
For the three and nine months ended October 31, 2022 and 2021

Notice of No Auditor Review of Interim Consolidated Financial Statements

The accompanying condensed interim consolidated financial statements have been prepared by management and approved by the Board.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

York Harbour Metals Inc.
(An exploration stage company)
(Formerly Phoenix Gold Resources Corp.)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	October 31, 2022	January 31, 2022
ASSETS		
Current Assets		
Cash	$ 6,462,946	$ 2,467,439
Other receivables	1,090,786	388,735
Prepaid expenses (note 4)	181,571	412,814
Refundable deposit (note 7(e))	250,000	250,000
	7,985,303	3,518,988
Mineral Rights (note 5)	9,190,448	3,282,625
Total Assets	$ 17,175,751	$ 6,801,613
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 615,770	$ 816,233
Total Liabilities	$ 615,770	$ 816,233
SHAREHOLDERS' EQUITY		
Share Capital (note 6)	$ 18,446,144	$ 8,880,828
Warrants Reserve (note 6)	5,278,989	1,740,408
Share-based Payment Reserve (note 6)	1,333,200	1,333,200
Deficit	(8,498,352)	(5,969,056)
Total Shareholders' Equity	16,559,981	5,985,380
Total Liabilities and Shareholders' Equity	$ 17,175,751	$ 6,801,613

Commitments and Contractual Arrangements (note 7)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Roger Baer"
Director

"Andrew Lee"
Director

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

York Harbour Metals Inc.
(An exploration stage company)
(Formerly Phoenix Gold Resources Corp.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended October 31, 2022	Three months ended October 31, 2021	Nine months ended October 31, 2022	Nine months ended October 31, 2021
Revenue	**$ -**	**$ -**	**$ -**	**$ -**
Expenses				
Management and consulting fees (note 10)	328,932	145,102	1,130,169	267,166
Investor relations	76,059	101,101	666,649	262,530
Professional fees	11,070	(636)	231,504	30,905
Travel	65,532	8,445	151,639	8,445
Office and administration	36,836	14,981	95,742	39,170
Filing fees	2,750	1,505	69,178	21,077
Exploration (note 7 (a))	-	-	63,826	68,150
Foreign exchange loss (gain)	3,521	(95)	9,347	4,230
Stock-based compensation	-	1,333,200	-	1,333,200
Interest expense (income)	(49,529)	(34)	(63,353)	(58)
Loss before the undernoted	**$ 475,171**	**$ 1,603,569**	**$ 2,354,701**	**$ 2,034,815**
Other Loss				
Impairment of other receivables (note 7(c))	-	-	174,595	-
Net Loss and Comprehensive Loss	**$ 475,171**	**$ 1,603,569**	**$ 2,529,296**	**$ 2,034,815**
Weighted Average Number of Shares Outstanding (note 6)	61,030,651	39,247,682	54,716,672	37,870,604
Earnings (Loss) per Share - Basic and Diluted	$ (0.01)	$ (0.04)	$ (0.05)	$ (0.05)

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

York Harbour Metals Inc.
(An exploration stage company)
(Formerly Phoenix Gold Resources Corp.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)
(Unaudited)

	Number of Shares	Common Shares	Warrants Reserve	Share-based Payment Reserve	Deficit	Shareholders' Equity (Deficiency)
Balance – January 31, 2021	**34,385,766**	**$ 4,022,639**	**$ 393,050**	**$ -**	**$ (3,400,826)**	**$ 1,014,863**
Shares issued for acquisition of mineral property	1,485,557	579,367	-	-	-	579,367
Private placements	2,500,000	1,000,000	-	-	-	1,000,000
Warrants valuation – subscription warrants	-	(438,750)	438,750	-	-	-
Private placements	1,075,000	301,000	-	-	-	301,000
Warrants valuation – subscription warrants	-	(136,203)	136,203	-	-	-
Stock-based compensation	-	-	-	1,333,200	-	1,333,200
Loss for the period	-	-	-	-	(2,034,815)	(2,034,815)
Balance – October 31, 2021	**39,446,323**	**$ 5,328,053**	**$ 968,003**	**$ 1,333,200**	**$ (5,435,641)**	**$ 2,193,615**
Balance – January 31, 2022	**48,840,323**	**$ 8,880,828**	**$ 1,740,408**	**$ 1,333,200**	**$ (5,969,056)**	**$ 5,985,380**
Shares issued on exercise of warrants	1,177,500	1,007,616	(160,116)	-	-	847,500
Shares issued for royalty buyout	1,500,000	1,500,000	-	-	-	1,500,000
Private placements	9,512,828	11,460,274	-	-	-	11,460,274
Warrants valuation – subscription warrants	-	(3,211,854)	3,211,854	-	-	-
Share issue cost – in cash		(703,877)	-	-	-	(703,877)
Share issue cost – agent's and broker's warrants	-	(486,843)	486,843	-	-	-
Loss for the period	-	-	-	-	(2,529,296)	(2,529,296)
Balance – October 31, 2022	**61,030,651**	**$ 18,446,144**	**$ 5,278,989**	**$ 1,333,200**	**$ (8,498,352)**	**$ 16,559,981**

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

York Harbour Metals Inc.
(An exploration stage company)
(Formerly Phoenix Gold Resources Corp.)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

		Nine months ended October 31, 2022		Nine months ended October 31, 2021
Operating Activities:				
Net (loss) income for the period	$	(2,529,296)	$	(2,034,815)
Adjustments for non-cash items:				
Stock-based compensation		-		1,333,200
Changes in non-cash working capital items:				
Other receivables		(702,051)		(347,891)
Prepaid expenses		231,243		(139,132)
Refundable deposit		-		(250,000)
Accounts payable and accrued liabilities		(200,463)		220,822
Net Cash Used in Operating Activities		(3,200,567)		(1,217,816)
Investing Activities:				
Additions in mineral rights		(4,407,823)		(699,276)
Net Cash Used in Investing Activities		(4,407,823)		(699,276)
Financing Activities:				
Issuance of common shares and warrants		11,603,897		1,301,000
Advances from (Repayments to) related party		-		(10,816)
Net Cash Provided by Financing Activities		11,603,897		1,290,184
Net changes in cash	$	3,995,507	$	(626,908)
Cash - beginning of period		2,467,439		814,122
Cash - end of period	$	6,462,946	$	187,214

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

1. Nature and Continuance of Operations

York Harbour Metals Inc. (the "Company") was incorporated under British Columbia's Business Corporations Act on May 2, 2011, under the name of Zuri Capital Corp. ("Zuri") which commenced trading on the TSX Venture Exchange as a Capital Pool Company on March 19, 2012. On April 23, 2014, Zuri was acquired by Phoenix Gold Resources Ltd. ("Phoenix") in a reverse takeover transaction and Zuri changed its name to Phoenix Gold Resources Corp. ("PXA"). Effective February 10, 2022, PXA changed its name to York Harbour Metals Inc. and resumed on the TSX Venture Exchange with the trading symbol "YORK". The Company's corporate address is Suite 1518 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6.

The Company is a TSX Venture Exchange ("Exchange") tier 2 listed mineral exploration and development company with its principal business focusing on the acquisition and exploration of the mineral rights.

2. Going Concern

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to a going concern, which assumes the Company will continue to meet its obligations and discharge its liabilities in the normal course of business for the foreseeable future. Different bases of measurement may be appropriate when a company is not expected to continue operations for the foreseeable future. As at October 31, 2022, the Company has an accumulated deficit of $8,498,352 (January 31, 2022 - $5,969,056) and incurred net losses of $2,529,296 (2021 - $2,034,815) for the nine months ended October 31, 2022 and working capital of $7,369,533 (January 31, 2022 - $2,702,755). The Company has not yet achieved profitable operations and expects to incur further losses in the development of its business.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company. Given the continuation of weak investor sentiment and capital market conditions in the Company's operating environment, there exists an uncertainty as to the Company's ability to raise additional funds on favorable terms and achieve profitability.

2. Going Concern (Cont'd)

These conditions indicate the existence of a material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern. The Company's expenditures on discretionary activities have some scope for flexibility in terms of amount and timing, which can be adjusted accordingly.

These consolidated 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 should the going concern assumption be inappropriate, and those adjustments could be material.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

a) Statement of compliance to IFRS

These condensed interim consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as at December 21, 2022 the date the Board of Directors approved these condensed interim consolidated financial statements for issue.

b) Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the years ended January 31, 2022 and 2021.

These condensed interim consolidated financial statements include the accounts of York Harbour Metals Inc. and its wholly-owned subsidiaries, Phoenix and Phoenix USA. All intercompany transactions, balances, and unrealized gains and losses on intercompany transactions have been eliminated. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Where control of an entity is obtained during a financial period, its results are included in the consolidated statement of loss and comprehensive loss from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

3. Significant Accounting Policies (cont'd)

c) Functional currency translation

i) Functional and presentation currency

Items included in the financial statements of each consolidated entity in the group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is the reporting parent's and Phoenix's functional currency. The functional currency of the reporting parent's subsidiary, Phoenix USA, is the United States dollar ("USD").

The financial statements of entities that have a functional currency different from that of the reporting parent's operations are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the consolidated statement of financial position, and income and expenses – at the average rate for the period (as this is considered a reasonable approximation to the actual rates). All resulting changes are recognized in other comprehensive income or loss as cumulative translation adjustments.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income or loss related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income related to the subsidiary are reallocated between controlling and non-controlling interests.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statement of loss and comprehensive loss.

3. Significant Accounting Policies (cont'd)

d) Measurement Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgements made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

Significant areas requiring the use of estimates and assumptions include accounts payable and accrued liabilities, valuation of share-based payment reserves, warrant reserves, valuation of short-term investments, valuation of mineral rights, and recoverability of deferred tax assets. By their nature, these estimates and assumptions are subject to measurement uncertainty, and the impact of changes in estimates in the financial statements of a future period could be material. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in loss in the periods in which they become known.

e) Significant accounting judgements

The critical judgements that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations (note 3(d)), that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are related to the economic recoverability of the mineral rights, determining the smallest group of assets that generates independent cash flow, the interpretation and application of tax laws, the determination of functional currency for the Company and its subsidiaries, and the assumption that the Company will continue as a going concern.

f) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3. Significant Accounting Policies (Cont'd)

f) Financial instruments (Cont'd)

Effective January 1, 2018, the Company adopted IFRS 9, Financial Instruments ("IFRS 9"), which supersedes IAS 39 – Financial Instruments: Recognition and Measurement. Application of the Standard is mandatory, and it establishes principles for the financial reporting of financial assets and financial liabilities in the Company's consolidated financial statements. Upon adoption of IFRS 9, the Company completed an assessment of the impact of adopting IFRS 9 and determined that no adjustments to the consolidated financial statements are required as a result of adopting IFRS 9.

The Company classified its financial instruments as follows:

Financial Statement Item:	Classification:	Measurement:
Cash	Amortized Cost	Amortized Cost
Other receivable	Amortized Cost	Amortized Cost
Prepaid expenses	Amortized Cost	Amortized Cost
Refundable deposit	Amortized Cost	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost	Amortized Cost

The Company does not have any held-to-maturity investments or available-for sales financial assets.

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

- Level 1 – inputs that are unadjusted quoted prices of identical instruments in active markets.

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

- Level 3 – inputs used in a valuation technique that are not based on observable market data in determining fair values of the instruments.

Transaction costs for financial liabilities classified as amortized costs are applied against these liabilities and amortized using the effective interest method, the resulting amortization being recorded as interest expense. Gains and losses on financial instruments classified as Fair Value through Profit or Loss are included in net earnings in the period in which they arise.

3. Significant Accounting Policies (Cont'd)

g) Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

The loss is the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. An impairment loss on an available for sale financial asset or fair value through profit or loss financial asset is calculated by reference to its fair value. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. The amount of the impairment is recognized in net loss.

Impairment losses on financial assets carried at amortized cost may be reversed in subsequent periods if the amount of the loss decreases and the decreases can be related objectively to an event occurring after the impairment was recognized. Financial assets measured at amortized cost and available for sale financial assets that are debt securities are reversed through profit and loss. For available for sale financial assets that are equity securities, the reversal is recognized in other comprehensive income.

h) Revenue recognition

Revenue will be recorded when consideration is received or receivable and will be recognized to the extent that it is probable that the economic benefits will flow to the Company and when the revenue can be reliably measured.

Interest income is recognized as it accrues.

i) Other Comprehensive income or loss

Other comprehensive income or loss is the change in equity of an enterprise during a period from transactions, events and circumstances other than those under the control of management and the owners. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company reports comprehensive loss in its statement of loss and other comprehensive loss and its statement of changes in deficiency.

3. Significant Accounting Policies (Cont'd)

j) Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not recognized on the initial recognition of goodwill, on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction, and on temporary differences relating to investments in subsidiaries and jointly controlled entities where the reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured, without discounting, at the tax rates that are expected to apply when the assets are recovered and the liabilities settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities and assets are expected to be settled or recovered.

3. Significant Accounting Policies (Cont'd)

k) Non-monetary transactions

Transactions with no cash consideration are measured at the fair value of either the asset given up or the asset received, whichever is more reliably determinable.

l) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflects the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculations as the effect would be anti-dilutive.

m) Identifiable intangible assets

The Company is in the exploration stage and defers all expenditures related to its acquired mineral rights until such time as the property is put into commercial production, sold or abandoned. Under this method, the amounts reported represent costs incurred to date less amounts amortized and/or written off, and do not necessarily represent present or future values.

i) Pre-Exploration
Pre-exploration costs in areas where a legal right to explore has not been obtained are expensed as incurred.

ii) Exploration and evaluation expenditures
Exploration and evaluation ('E&E') costs incurred after the legal right to explore is obtained, but before technical feasibility and commercial viability of the project has been demonstrated are capitalized as E&E assets. These include the costs of acquiring the licenses and directly attributable general and administrative costs. All applicable costs are capitalized as either tangible or intangible E&E assets depending on the nature of the assets acquired. The costs are accumulated in cost centers by exploration area.

iii) Development and production costs
When technical feasibility and commercial viability of a property is established and the Company determines that it will proceed with development, all E&E costs attributable to that area are reclassified to construction in progress within property, plant and equipment or as intangible assets depending on the nature of the expenditure. If economically recoverable ore deposits are developed, the capitalized costs of the related property will be amortized using the unit-of-production method following the commencement of production.

3. Significant Accounting Policies (Cont'd)

n) Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether an impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

A CGU recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized.

Industry specific indicators for an impairment review on mineral rights and capitalized exploration related expenditures arise typically when one of the following circumstances applies:

- Substantive expenditure on further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised;
- Adverse changes in variations in commodity prices and markets; and
- Variations in the exchange rate for the currency of operation.

3. Significant Accounting Policies (Cont'd)

o) Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when an environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant, other site preparation work, and water and soil management, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value of the liability. These costs are charged against profit or loss over the economic life of the related assets, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company may in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation or environmental obligations as at October 31, 2022.

p) Share-based payments

The Company from time to time may issue shares or options to its directors, officers, consultants and employees. The Company values share-based payments using the fair-value method of the services provided. For stock options issued to its directors, officers, consultants and employees where the value of the services provided cannot be determined or the options are provided for services already provided to the Company, the Company values stock-based compensation by reference to the fair value of the stock options issued, utilizing the Black-Scholes option pricing model. The estimated fair value is recognized over the applicable vesting period as stock-based compensation expense and an increase to share-based payment reserve.

(Expressed in Canadian dollars)

3. Significant Accounting Policies (Cont'd)

p) Share-based payments (Cont'd)

Any consideration paid by employees on the exercise of stock options or purchase of stock is credited to share capital plus the amounts originally recorded as share-based payment reserve. An individual is classified as an employee when they are an employee for legal purposes, or primarily performing services similar to the services that would be provided by a legal employee.

q) New accounting standards and recent pronouncements

The standards and interpretations that are issued, but not yet effective, up to the date of authorization of these consolidated financial statements are disclosed below. Management anticipates that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements.

IAS 37, PROVISIONS, CONTINGENT LIABILITIES, AND CONTINGENT ASSETS
The amendments clarify when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. – costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

The Company is currently evaluating the impact that the new and amended standards will have on its consolidated financial statements and expects no material impact upon applying the amendments to IAS 37.

4. Prepaid Expenses

Prepaid expenses are comprised of the followings:

	October 31, 2022	January 31, 2022
Deposit made to a drilling contractor	90,013	104,199
Balance remaining for investor relations services (i)	$ -	$ 248,115
Balance remaining for investor relations services (ii)	42,584	-
Deposits/prepayments made to consultants	39,208	60,500
Prepaid insurance	9,766	-
	$ 181,571	**$ 412,814**

4. Prepaid Expenses (Cont'd)

(i) Balance remaining for an advance payment of $441,105 (US$350,000) made to Gold Standard Media LLC for investor relations services for a service term of 24 months starting from March 15, 2021. On June 7, 2022, the Company terminated its engagement of Gold Standard as an investor relations services provider and reclassified $174,595, the balance of the cancelled term, to other receivables. During the period ended October 31, 2022, the Company has determined that it is not likely that the amount will be recovered, therefore recognizing an impairment loss of $174,595.

(ii) Balance remaining for an advance payment of $127,760 (US$100,000) made to GRA Enterprises LLC for investor relations services for a service term of 12 months starting from March 11, 2022 (also see note 7(g)).

5. Mineral Rights

On July 9, 2013, the Company issued 500,000 common shares to Americas Gold Exploration Inc. ("AGEI"), at $0.10 per share in order to acquire a 50% right, title and interest to the Plumas Property and 100,000 common shares to William Matlack ("Matlack") at $0.10 per share as consideration for a 20-year renewable lease entered into for the remaining 50% right, title and interest to the Plumas Property. Matlack has the option to convert the lease payments into a 1% net smelter return royalty on the property and the Company has the right to buy back this option by paying Matlack $1,364,900 (US$1,000,000).

The Plumas Property consists of two patented lode mining claims with extra lateral rights (40 acres) and one patented mill site claim (8.5 acres) situated in Battle Mountain, Lander County, Nevada, USA.

The Company acquired a 50% right, title and interest to the Eldorado Property for a total payment of $115,080 (US $105,000) and in consideration of the Company assuming all the obligations of AGEI.

The Eldorado Property consists of one patented lode mining claim (20 acres) named Eldorado situated in Battle Mountain, Lander County, Nevada, USA.

On February 26, 2021, the Company entered into an option agreement with WBN Prospecting Group to acquire a 100% interest in the York Harbour Property. The Company made a cash payment of $95,000 and issued 1,485,557 shares of the Company as part of this transaction. On May 11, 2022, the Company has successfully completed the earn-in to acquire 100% interest of the York Harbour Property by completing all conditions of the option agreement. On May 12, 2022, the Company has signed an agreement to reduce the existing 2% Net Smelter Royalty ("NSR") for York Harbour Property down to a 0.5% NSR by purchasing 1.5% of the negotiated NSR for $1,500,000 settled by issuance of 1,500,000 common shares in the share capital of the Company at a price of $1 per share.

(Expressed in Canadian dollars)

5. Mineral Rights (Cont'd)

On July 28, 2022, the Company acquired Gregory River Property situated on the northern coast of the Bay of islands, approximately 22 km due north of the Company's York Harbour Property or 36 km northwest of the City of Corner Brook in Western Newfoundland.

The Gregory River Property is comprised of 10 mineral licenses totaling 415 claims and covering 10,375 hectares. As a result of this acquisition and the additional claims added to the York Harbour Property to the South, the Company now owns and operates two properties with known copper-zinc (+/- silver, gold, lead, cobalt) potential within the Bay of Islands Ophiolite Complex. The Gregory River claims were acquired via a staking agreement with the original vendors of the York Harbour Property. Staking fees of $53,950 have been paid to the vendor and there are no royalties on the claims.

These two properties total 605 claims and cover 15,100 hectares, which more than triples the Company's property holdings in Newfoundland.

The cumulative costs incurred on the Company's mineral rights are as follows:

	York Harbour Property (Newfoundland, Canada)	Phoenix Gold Properties (Nevada, USA)	Total
Balance as at January 31, 2021	**$ -**	**$ 1**	**$ 1**
Additions during the year	3,282,624	-	3,282,624
Balance as at January 31, 2022	**3,282,624**	**1**	**3,282,625**
Additions during the period	5,907,823	-	5,907,823
Balance as at October 31, 2022	**$ 9,190,447**	**$ 1**	**$ 9,190,448**

All exploration and evaluation expenditures related to York Harbour Property have been capitalized in mineral rights whereas all exploration and evaluation expenditures related to Phoenix Gold Properties have been expensed in exploration expense during the period ended October 31, 2022.

(Expressed in Canadian dollars)

6. Share Capital

a) *Authorized*
Unlimited number of common shares.

IFRS 2 recommends that an entity shall measure any equity-settled share-based payment transactions directly at the fair value of the goods or services received. The Company issued warrants and options as part of the private placements and compensation payments to agents and brokers. The Company determined that the fair value of services received is not reliably measurable because the warrants attached to these transactions are not from the result of any services purchased by the Company. Also, fair value of services from agents and brokers are not reliably determinable because there is no similar open market for the services they provide, and the compensation is not based on a fixed market rate, but rather subject to negotiation by management. Lastly, it is common for exploration stage companies to provide share-based compensation as part of its equity and debt transactions in addition to a cash component. As such management determined that the fair value of warrants rather than the fair value of services received should be used to determine the fair value of share-based transactions.

b) *Issued and outstanding*
Issued common shares are as follows:

	Number of shares	Amount
Balance – January 31, 2021	**34,385,766**	**$ 4,022,639**
Shares issued for acquisition of mineral property (i)	1,485,557	579,367
Private placement (ii)	2,500,000	1,000,000
Warrants valuation – subscription warrants (ii)	-	(438,750)
Private placement (iii)	1,075,000	301,000
Warrants valuation – subscription warrants (iii)	-	(136,203)
Private placement (iv)	3,000,000	1,200,000
Warrants valuation – subscription warrants (iv)	-	(344,550)
Share issue cost (iv)	-	(25,800)
Private placement (v)	4,644,000	2,322,000
Warrants valuation – subscription warrants (v)	-	(477,171)
Share issue cost (v)	-	(46,020)
Private placement (vi)	700,000	350,000
Warrants valuation – subscription warrants (vi)	-	(68,600)
Shares issued on exercise of warrants (vii)	1,050,000	642,916
Balance – January 31, 2022	**48,840,323**	**$ 8,880,828**
Shares issued on exercise of warrants (viii)	1,177,500	1,007,616
Shares issued for royalty buyout (ix)	1,500,000	1,500,000
Private placement (x)	9,512,828	11,460,274
Warrants valuation – subscription warrants (x)	-	(3,211,854)
Share issue cost – in cash (x)	-	(703,877)

(Expressed in Canadian dollars)

6. Share Capital (Cont'd)

b) *Issued and outstanding (Cont'd)*

Share issue cost – warrants issued to agents and brokers (x)	-	(486,843)
Balance – October 31, 2022	**61,030,651**	**$18,446,144**

(i) On February 26, 2021, the Company issued 1,485,557 shares of the Company at a deemed price of $0.39 per share as of part of the acquisition of a 100% interest in the York Harbour Property.

(ii) On March 31, 2021, the Company issued 2,500,000 units of the Company at a price of $0.40 per unit for gross proceeds of $1,000,000. Each unit is comprised of one common share and one full warrant of the Company. Each warrant is exercisable at a price of $0.60 per share for the 24 months from the date of issuance.

(iii) On August 17, 2021, the Company issued 1,075,000 units of the Company at a price of $0.28 per unit for gross proceeds of $301,000. Each unit is comprised of one common share and one full warrant of the Company. Each warrant is exercisable at a price of $0.40 per share for the 36 months from the date of issuance. The shares contained in these units are qualified as "flow through shares" as defined in subsection 66(15) of the Income Tax Act (Canada). An amount equal to the gross proceeds allocated to the sale of shares will be used for expenditures which qualify as Canadian exploration expenses ("CCE") and "flow through mining expenditures" (within the meaning of the Income Tax Act (Canada)).

(iv) On November 30, 2021, the Company issued 3,000,000 units of the Company at a price of $0.40 per unit. Each unit is comprised of one common share and one-half common share purchase warrants of the Company. Each whole warrant is exercisable at a price of $0.60 per share for the 24 months from the date of issuance. The Company incurred finders' fees of $25,800 related to the financing.

6. Share Capital (Cont'd)

b) *Issued and outstanding (Cont'd)*

(v) On November 30, 2021, the Company issued 4,644,000 units of the Company at a price of $0.50 per unit for gross proceeds of $2,322,000. Each unit is comprised of one common share and one-half common share purchase warrants of the Company. Each whole warrant is exercisable at a price of $0.75 per share if exercised within the first 12 months, and at $1.00 per share after 12 months but within 24 months following the closing date. The Company incurred finders' fees of $46,020 related to the financing. The shares contained in these units are qualified as "flow through shares" as defined in subsection 66(15) of the Income Tax Act (Canada). An amount equal to the gross proceeds allocated to the sale of shares will be used for expenditures which qualify as Canadian exploration expenses ("CCE") and "flow through mining expenditures" (within the meaning of the Income Tax Act (Canada)).

(vi) On December 21, 2021, the Company issued 700,000 units of the Company at a price of $0.50 per unit for gross proceeds of $350,000. Each unit is comprised of one common share and one-half common share purchase warrants of the Company. Each whole warrant is exercisable at a price of $0.75 per share if exercised within the first 12 months, and at $1.00 per share after 12 months but within 24 months following the closing date. The Company incurred finders' fees of $46,020 related to the financing. The shares contained in these units are qualified as "flow through shares" as defined in subsection 66(15) of the Income Tax Act (Canada). An amount equal to the gross proceeds allocated to the sale of shares will be used for expenditures which qualify as Canadian exploration expenses ("CCE") and "flow through mining expenditures" (within the meaning of the Income Tax Act (Canada)).

(vii) During the year ended January 31, 2022, a total of 1,050,000 warrants originally issued on December 18, 2020 were exercised at a price of $0.50 per common share for total proceeds of $847,500. The previously recognized value of warrants of $117,916 was reclassified from warrants reserve to share capital.

(viii) During the nine months ended October 31, 2022, a total of 940,000 warrants originally issued on December 18, 2020 were exercised at a price of $0.75 per common share and 237,500 warrants originally issued on November 30, 2021 were exercised at a price of $0.60 per common share for total proceeds of $690,000. The previously recognized value of warrants of $160,116 was reclassified from warrants reserve to share capital.

(ix) On June 23, 2022, the Company issued 1,500,000 common shares at a deemed price of $1.00 per common for a buydown of the 1.5% Net Smelter Royalty ("NSR") to reduce the 2% NSR of its York Harbour down to a 0.5% NSR.

6. Share Capital (Cont'd)

b) *Issued and outstanding (Cont'd)*

(x) On June 29, 2022, the Company issued:

a. 2,625,600 units of the Company ("Units") at a price of $1 per unit for gross proceeds of $2,625,600. Each Unit is comprised of one common share and one-half common share purchase warrants of the Company;

b. 4,987,228 Flow-through units of the Company (the "FT Units") at a price of $1.20 per FT unit for gross proceeds of $5,984,674. Each FT Unit is comprised of one common share that qualifies as "flow-through shares" within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) (the "*Tax Act*") and one-half common share purchase warrants of the Company;

c. 1,900,000 Flow-through units of the Company sold to charitable purchasers (the "Charity FT Units") at a price of $1.50 per Charity FT Unit for gross proceeds of $2,850,000. Each Charity FT Unit is comprised of one common share that qualifies as "flow-through shares" within the meaning of subsection 66(15) of the *Tax Act* that will be issued as part of a charity arrangement and one-half common share purchase warrants of the Company.

The Company incurred $703,877 in cash expenses and issued 586,770 compensation warrants to the agent and brokers related to above financing. Each compensation warrant is exercisable at a price of $1 per Unit for a period of 24 months from the closing. Each whole common share purchase warrant is exercisable at a price of $1.50 per share for the 24 months from the date of issuance.

(Expressed in Canadian dollars)

6. Share Capital (Cont'd)

c) *Warrants Reserve*

The following is a summary of the changes in the Company's warrants during the periods:

	Exercise price	Number	Amount
Balance – January 31, 2020	**$ -**	**-**	**$ -**
Subscription warrants issued on December 18, 2020 (i)	$0.50 - $0.75	3,500,000	393,050
Balance – January 31, 2021		**3,500,000**	**$ 393,050**
Subscription warrants issued on March 31, 2021 (ii)	$0.60	2,500,000	438,750
Subscription warrants issued on August 17, 2021 (iii)	$0.40	1,075,000	136,203
Subscription warrants issued on November 30, 2021 (iv)	$0.60	1,500,000	344,550
Subscription warrants issued on November 30, 2021 (v)	$0.75 - $1.00	2,322,000	477,171
Subscription warrants issued on December 21, 2021 (vi)	$0.75 - $1.00	350,000	68,600
Warrants exercised (vii)	$0.50	(1,050,000)	(117,916)
Balance – January 31, 2022		**10,197,000**	**$ 1,740,408**
Warrants exercised (viii)	$0.60 - $0.75	(1,177,500)	(160,116)
Subscription warrants issued on June 29, 2022 (ix)	$1.50	4,756,414	3,211,854
Warrants issued to agents and brokers on June 29, 2022 (x)	$1.00	586,770	486,843
Balance – October 31, 2022		**14,362,684**	**$ 5,278,989**

(i) expected dividend yield – 0%; expected volatility – 214% to 276%; risk-free interest rate – 0.24%; expected life – 2 years.

(ii) expected dividend yield – 0%; expected volatility – 209%; risk-free interest rate – 0.22%; expected life – 2 years.

(iii) expected dividend yield – 0%; expected volatility – 184%; risk-free interest rate – 0.55%; expected life – 3 years.

(iv) expected dividend yield – 0%; expected volatility – 210%; risk-free interest rate – 0.98%; expected life – 2 years.

(v) expected dividend yield – 0%; expected volatility – 120% to 210%; risk-free interest rate – 0.98%; expected life – 2 years.

(vi) expected dividend yield – 0%; expected volatility – 112% to 210%; risk-free interest rate – 0.98%; expected life – 2 years.

(Expressed in Canadian dollars)

6. Share Capital (Cont'd)

c) *Warrants Reserve (Cont'd)*

(vii) During the year ended January 31, 2022, a total of 1,050,000 warrants originally issued on December 18, 2020, were exercised at a price of $0.50 per common share for total proceeds of $525,000. The previously recognized value of warrants of $117,916 was reclassified from warrants reserve to share capital.

(viii) During the nine months ended October 31, 2022, a total of 940,000 warrants originally issued on December 18, 2020, were exercised at a price of $0.75 per common share and 237,500 warrants originally issued on November 30, 2021, were exercised at a price of $0.60 per common share for total proceeds of $690,000. The previously recognized value of warrants of $160,116 was reclassified from warrants reserve to share capital.

(ix) expected dividend yield – 0%; expected volatility – 191%; risk-free interest rate – 3.14%; expected life – 2 years.

(x) expected dividend yield – 0%; expected volatility – 191%; risk-free interest rate – 3.14%; expected life – 2 years.

The following table summarized information about the Company's warrants outstanding as at October 31, 2022:

Grant Date	Expiration Date	Exercise Price	Warrants outstanding at October 31, 2022
December 18, 2020	December 18, 2022	$0.75	1,510,000
March 31, 2021	March 31, 2023	$0.60	2,500,000
August 17, 2021	August 17, 2024	$0.40	1,075,000
November 30, 2021	November 30, 2023	$0.60	1,262,500
November 30, 2021	November 30, 2023	$0.75 - $1.00	2,322,000
December 21, 2021	December 21, 2023	$0.75 - $1.00	350,000
June 29, 2022	June 29, 2024	$1.50	4,756,414
June 29, 2022	June 29, 2024	$1.00	586,770
			14,362,684

(Expressed in Canadian dollars)

6. Share Capital (Cont'd)

d) *Stock options and share-based payment*

As at October 31, 2022, the Company had 3,000,000 stock options outstanding (January 31, 2022 – 3,000,000). The following table summarizes information about stock options outstanding as at October 31, 2022.

	Number	Weighted average exercise price	
Balance – January 31, 2021	-	$	-
Stock options issued to consultants and contractors on September 7, 2021(i)	3,000,000		0.55
Balance – January 31, 2022 and October 31, 2022	**3,000,000**	**$**	**0.55**

(i) The assumptions utilized in determining the value of the 3,000,000 stock options was a share price of $0.52, an exercise price of $0.55, a risk-free interest rate of 0.40%, volatility of 208%, expected yield of nil, and an expected life of 2 years. The estimated fair value of the 3,000,000 options issued was $1,333,200, which were fully vested. These options expire on September 6, 2023.

7. Commitments and Contractual Arrangements

As at October 31, 2022, the Company had the following contractual arrangements and commitments in place for the provision of certain services:

a) As part of the letter of agreement entered into with AGEI and Matlack on July 9, 2013, and as amended on October 29, 2013, December 16, 2013, January 21, 2014, and February 21, 2014 for the acquisition of certain patented mineral claims in Nevada, comprised of the Eldorado Property, the Plumas Property (collectively, the "Phoenix Gold Properties"), the Company has the following commitment:

(i) As part of the lease of the Plumas Property described in note 5, the Company is required to make annual payments of $47,772 (US$35,000) on each anniversary date of April 23, 2014, for a period of 20 years. Future minimum lease payments are as follows:

2023	$	47,772
2024		47,772
2025		47,772
2026		47,772
2027		47,772
Thereafter		621,036
Total	$	859,896

7. Commitments and Contractual Arrangements (Cont'd)

The Company is currently in default of the Plumas Lease for failure to pay the 2017, 2018, 2019, 2020, 2021, and 2022 payment amounts under the terms of the lease and if the Company remains in default, Matlack may terminate the lease resulting in a loss of a 50% leasehold interest in the Plumas Property. The Company made a payment of $62,825 (US$50,000) and $63,826 (US$50,383) to Matlack in April 2021 and March 2022 respectively, to settle 2015 and 2016 Plumas Lease plus accrued financing charges which are recorded in exploration expenses during the respective period. The Company is currently in negotiation with Matlack for the remaining balance and the terms of the lease.

b) On February 19, 2021, the Company signed an agreement with Wallace Hill Partners ("Wallace Hill") for investor relations services, including financial publishing and digital marketing services to improve the profile and market awareness of the Company. On December 30, 2020, the Company made an advance payment of $350,000 to Wallace Hill. The intent was to engage Wallace Hill for a term of 24 months, commencing on March 15, 2021, as confirmed in the agreement signed on February 19, 2021. However, the Company terminated the agreement in October 2021 as it was unable to receive approval of the TSX Venture Exchange. As a result, the Company reclassified $247,917 from prepaid expenses to other receivables for the balance of the cancelled term and has been seeking reimbursement of the balance from Wallace Hill. On January 31, 2022, the Company has determined that it is not likely that the amount will be recovered, therefore recognizing an impairment loss of $247,917.

c) On February 19, 2021, the Company engaged Gold Standard Media LLC ("Gold Standard") for investor relations services. The Company paid $441,105 (US$350,000) to Gold Standard in advance for a service term of 24 months starting from March 15, 2021. Subsequently, on March 30, 2022, the Company paid for additional dissemination/social media investor relation services of Gold Standard and its related entities, with $188,835 (US$150,000) paid to Gold Standard for digital marketing, and amounts paid directly to the entities including $75,000 to Future Money Trends LLC for email marketing, and $200,000 to Wealth Research Group LLC for digital marketing. On June 7, 2022, the Company terminated its engagement of Gold Standard as an investor relations services provider. As a result, the Company reclassified $174,595 from prepaid expenses to other receivables for the balance of the cancelled term and has been seeking reimbursement of the balance from Gold Standard. During the period ended October 31, 2022, the Company has determined that it is not likely that the amount will be recovered, therefore recognizing an impairment loss of $174,595.

7. Commitments and Contractual Arrangements (Cont'd)

d) On March 29, 2021, the Company retained Integral Wealth Securities Ltd. (" Integral") to provide market-making services in accordance with the policies of the TSX Venture Exchange. In consideration of the services provided by Integral, the Company will pay Integral a monthly fee of $5,500, plus any reasonable costs and expenses it incurs in connection with the services provided. The Company has retained Integral for an initial three-month term and thereafter may be terminated by the Company upon 30 days written notice.

e) On April 12, 2021, the Company signed a Letter of Intent (LOI) with ENE-MIN Development Corp. for an exclusive option to acquire up to 75% interest in the LiBeGa Lithium Project, comprising adjoining perimeters (concessions or mineral claims) covering a total of 27 km^2 in Sibiu County, Romania. Pursuant to the LOI, the Company paid a refundable $250,000 good faith due diligence deposit and has initiated an exclusive comprehensive confidential evaluation of the project.

f) On November 3, 2021, the Company granted an aggregate of 2,417,003 restricted share units (the "RSUs") to its directors, officers and consultants pursuant to the Company's RSU plan. Each vested RSU entitles the holder to receive a common share of the Company. The RSUs were issued by the Company on November 3, 2022 (also see note 12 (a)).

g) On March 11, 2022, the Company engaged the communication services of GRA Enterprises LLC ("GRA") for dissemination of news releases and newsworthy related events, communications and media services, the production and publication of investor bulletins on the National Inflation Association Website, and distribution of email alerts to the GRA's National Inflation email list about the Company and its projects. These are considered investor relations services, in accordance with TSX Venture Exchange Policy 3.4. GRA has been engaged for a term of 12 months, for an up-front paid fee of $127,760 (US$100,000).

h) On August 12, 2022, the Company announced its proposed plans to spin-out to its shareholders (the "Spin-Out") all of its rights, title and interest in and to its Phoenix Gold Properties located in the Battle Mountain district of Nevada, USA (the "Nevada Assets"), which are adjacent to Nevada Gold Mines LLC's projects. The Spin-Out will allow York Harbour to continue as a single entity solely focused on its York Harbour Project in the Canadian province of Newfoundland and Labrador, while the ownership and development of the Nevada Assets would remain separately with Phoenix Gold Resources (Holdings) Ltd. (Phoenix Gold"), a British Columbia Corporation.

7. Commitments and Contractual Arrangements (Cont'd)

It is anticipated that the Spin-Out will be completed by way of statutory plan of arrangement (the "Arrangement") under the Business Corporations Act (British Columbia) and will be subject to regulatory approval, including approval of the Supreme Court of British Columbia (the "Court") and the TSX Venture Exchange (the "Exchange"), as well as shareholder approval of at least two-thirds of the votes cast at a special meeting (the "Meeting") of York Harbour shareholders expected to be held approximately in early 2023. Full details of the Spin-Out will be included in the management information circular sent to York Harbour shareholders in connection with the Meeting. It is anticipated that York Harbour shareholders will be entitled to receive 0.15 common shares of Phoenix Gold for every one common share of York Harbour held as of the record date (the "Record Date") for distribution of shares under the Arrangement. No York Harbour options or warrants will entitle the holder to receive any shares or convertible securities of Phoenix Gold, except to the extent that such holders exercise such options or warrants, as the case may be, to acquire common shares of York Harbour prior to the Record Date. There would be no change in the shareholders' holdings in York Harbour as a result of the Arrangement. Upon receipt of approval of the Spin-Out from the shareholders of York Harbour and the Court, York Harbour's board will trigger a date for Phoenix Gold to complete an equity financing and to apply for listing on the Canadian Securities Exchange or on another stock exchange in Canada.

i) On August 15, 2022, the Company engaged its new investor relations firm, 121 Group (HK) Ltd. ("121 Group") to provide media relations services and other assistance with investor relations to help build the Company's public profile and gain exposure with investors through investor relations, digital marketing, and the dissemination of corporate information. The engagement is for a 12-month term for a monthly fee of US$3,500, invoiced, and payable monthly and may be terminated with 30 days notice.

8. Capital Management

As at October 31, 2022, the capital structure of the Company consists of equity attributable to common shareholders and includes share capital of $18,446,144 (January 31, 2022 - $8,880,828), warrants reserve of $5,278,989 (January 31, 2022 - $1,740,408), share-based payment reserve of $1,333,200 (January 31, 2022 - $1,333,200) and deficit of $8,498,352 (January 31, 2022 - $5,969,056).

The Company's objective when managing capital structure is to ensure sufficient financial resources exist to meet the Company's strategic exploration and business development objectives, and to ensure that the Company continues as a going concern.

(Expressed in Canadian dollars)

9. Segmented Information

The Company operates in one reportable segment. Segments are defined as components for which separate financial information is available and is regularly evaluated by the chief operating decision maker.

10. Related Party Transactions

The Company considers its Board of Directors and certain consultants which, by virtue of the contracts in place and the functions performed, to be key management. Compensation awarded to key management is listed below:

	Nine months ended October 31, 2022	Nine months ended October 31, 2021
Management and consulting fees	$ 307,250	$ 45,000
Mineral rights	99,725	-
Total	$ 406,975	$ 45,000

For the nine months ended October 31, 2022, the Company paid or accrued management fees of $76,000 (2021 - $22,500) to a company controlled by an officer of the Company, management fees of $130,000 (2021 - $22,500) to a company controlled by a director of the Company, management fees of $95,000 (2021 - $nil) to a company controlled by an officer and director of the Company, management fees of $6,250 (2021 - $nil) to a company controlled by a director of the Company, and exploration related consulting fees of $99,725 (2021 - $nil) to a company controlled by a director of the Company.

Accounts payable and accrued liabilities consists of $16,046 (January 31, 2022 - $nil) owing to a director of the Company, $14,860 (January 31, 2022 - $nil) owing to a company controlled by an officer and director of the Company, $7,188 (January 31, 2022 - $nil) owing to a company controlled by a director of the Company, and $nil (January 31, 2022 - $3,802) owing to a company controlled by a director of the Company.

These transactions are in the normal course of operations and at the exchange amount agreed to by the related parties.

11. Financial Instruments

IFRS 7 establishes a fair value hierarchy that reflects significance of inputs in measuring fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. process) or indirectly (i.e. derived from process); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

11. Financial Instruments (Cont'd)

The Company's financial assets and liabilities at fair value through profit or loss, consisting of cash, is classified as level 1.

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

Fair value
As at October 31, 2022, the Company's financial instruments consist of cash, other receivables, prepaid expenses, refundable deposit, accounts payable and accrued liabilities. These financial instruments are classified as other financial liabilities and are carried at amortized cost. The fair values of these financial instruments approximate their carrying values due to the short-term nature of these instruments.

Liquidity risk
Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. The Company takes steps to ensure that it has sufficient working capital and available sources of financing to meet future cash requirements for capital programs and operations.

The Company intends to issue equity to ensure the Company has sufficient access to cash to meet current and foreseeable financial requirements. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support its financial obligations and the Company's capital programs.

Credit risk
Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations. The Company has credit risk with its other receivables and prepaid expenses, but it is considered to be minimal. There is no allowance for doubtful accounts recorded as at October 31, 2022.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices.

(i) Interest rate risk
The Company is not exposed to the risk that the value of financial instruments will change due to movement in market interest rates.

(ii) Currency risk
Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company has a portion of its cash in US Dollars, and accounts payable and accrued liabilities in US Dollars and Australian Dollars.

11. Financial Instruments (Cont'd)

(iii) Commodity price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

12. Subsequent Events

a) On November 3, 2022, the Company issued 2,417,003 RSUs to its directors, officers, and consultants. These RSUs were originally granted on November 3, 2021 and all 2,417,003 RSUs were fully vested at the time of the issuance.

b) On December 18, 2022, 1,510,000 share purchase warrants originally issued on December 18, 2020, were expired.

c) On December 21, 2022, the Company announced that it has signed an agreement (the "Agreement") to acquire a Rare Earth Elements ("REE") mineral property in western Newfoundland, Canada known as the Bottom Brook Property (the "Property"). The Property is comprised of 541 mineral claims held under 14 mineral licenses covering 13,025 hectares and is situated next to the Trans Canada Highway 27 km from the deep-water port at Turf Point.

   The Agreement Includes a consideration for a $100,000 cash deposit to be used for license fees to keep the Property in good standing and a purchase price of $2,500,000 satisfied by issuing common shares of York (the "Shares") at a price per share equal to the 5-day volume weighted average price per Share calculated for the period 10 business days prior to closing (the "Closing") of the acquisition of the Property (the "Acquisition"), subject to a minimum discounted market price pursuant to the policies of the TSX Venture Exchange (the "Exchange").