Fox River
RESOURCES CORP

Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2023

(unaudited)

(presented in Canadian dollars)

Notice of non-review of condensed interim financial statements

In accordance with National Instrument 51-102 Continuous Disclosure Obligations of the Canadian Securities Administrators, notice is given that the condensed interim consolidated financial statements for the three month period ended January 31, 2023 have not been reviewed by the Company's auditors.

Fox River Resources Corporation
Condensed Interim Consolidated Statements of Financial Position
(unaudited)

As at	Jan. 31, 2023	Oct. 31, 2022
Assets		
Current assets		
Cash and cash equivalents (note 3a)	$ 81,629	$ 195,314
Sales tax receivable	11,148	9,716
Prepaid expenses	8,794	12,205
Marketable securities (note 8)	9,429	7,633
	111,000	224,868
Non-current assets		
Restricted cash (note 3a)	10,000	20,000
Total assets	**$ 121,000**	**$ 244,868**
Liabilities		
Accounts payable and accrued liabilities	$ 236,469	$ 268,383
	236,469	268,383
Shareholders' equity (deficit)		
Share capital (note 4)	3,509,871	3,509,871
Share based payment reserve (note 5)	691,608	691,608
Warrant reserve (note 6)	144,015	144,015
Deficit	(4,460,963)	(4,369,009)
	(115,469)	(23,515)
Total liabilities and shareholders' equity	**$ 121,000**	**$ 244,868**

Reporting entity, nature of operations and going concern (note 1)
Commitments and contingencies (note 11)
Events after the reporting period (note 14)

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

Fox River Resources Corporation
Condensed Interim Consolidated Statements of Operations and Comprehensive Income (Loss)
(unaudited)

	Three months ended Jan. 31, 2023	Three months ended Jan. 31, 2022
Expenses		
Consulting fees (note 10)	$ 36,000	$ 36,000
Shareholder information	19,275	27,192
Exploration & evaluation expenditures (note 9)	18,368	755,508
Administration	15,177	15,440
Professional fees	5,485	1,937
(Loss) from operations	(94,305)	(836,077)
Interest income	555	3,164
Gain (loss) on change in fair value of marketable securities (note 8)	1,796	(898)
Net loss and comprehensive loss	**$ (91,954)**	**$ (833,811)**
Basic and fully diluted loss per share (note 7)	**$ (0.002)**	**$ (0.016)**

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

Fox River Resources Corporation
Condensed Interim Consolidated Statements of Cash Flows
(unaudited)

For the three months ended,	Jan. 31, 2023	Jan. 31, 2022
Cash flows from operating activities		
Net loss	$ (91,954)	$ (833,811)
(Gain) loss on marketable securities (note 8)	(1,796)	898
Changes in non-cash working capital items		
Accounts receivable	(1,432)	(1,056)
Prepaid expenses	3,411	13,179
Accounts payable and accrued liabilities	(31,914)	(194,641)
	(123,685)	(1,015,431)
Cash flows from financing activities		
Exercise of warrants	-	7,997
	-	7,997
Cash flows from investing activities		
Restricted cash	10,000	-
Sale of marketable securities (note 8)	-	-
	10,000	-
Net change in cash and cash equivalents	**(113,685)**	**(1,007,434)**
Cash and cash equivalents, beginning of period	195,314	2,399,844
Cash and cash equivalents, end of period	**$ 81,629**	**$ 1,392,410**
Supplemental cash flow information		
Interest received	$ 555	$ 3,164

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

Fox River Resources Corporation
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(unaudited)

	Number of shares	Share capital	Share based payment reserve	Warrant reserve	Deficit	Total
Balance, October 31, 2021	**52,294,527**	**$ 3,446,572**	**$ 462,779**	**$ 172,470**	**$ (2,203,724)**	**$ 1,878,097**
Issuance of shares upon exercise of warrants	26,656	14,305	-	(6,308)	-	7,997
Net loss and comprehensive loss for the period	-	-	-	-	(833,811)	(833,811)
Balance, January 31, 2022	**52,321,183**	**$ 3,460,877**	**$ 462,779**	**$ 166,162**	**$ (3,037,535)**	**$ 1,052,283**
Issuance of shares upon exercise of warrants	89,492	48,994	-	(22,147)	-	26,847
Share based payments (note 5)	-	-	228,829	-	-	228,829
Net loss and comprehensive loss for the period	-	-	-	-	(1,331,474)	(1,331,474)
Balance, October 31, 2022	**52,410,675**	**$ 3,509,871**	**$ 691,608**	**$ 144,015**	**$ (4,369,009)**	**$ (23,515)**
Net loss and comprehensive loss for the period	-	-	-	-	(91,954)	(91,954)
Balance, January 31, 2023	**52,410,675**	**$ 3,509,871**	**$ 691,608**	**$ 144,015**	**$ (4,460,963)**	**$ (115,469)**

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

1. REPORTING ENTITY, NATURE OF OPERATIONS AND GOING CONCERN

Fox River Resources Corporation (“Fox River” or the “Company”) was incorporated pursuant to the Canada Business Corporations Act under the name “9508309 Canada Inc.” on November 12, 2015. Articles of amendment were subsequently filed on December 7, 2015 to change the name of the Company to “Fox River Resources Corporation”. The registered office of the Company is located at 350 Bay Street, Suite 700, Toronto, Ontario M5H 2S6. The Company has one wholly-owned subsidiary: Baltic Resources Inc. ("Baltic").

The Company's business plan includes acquiring, exploring, evaluating and developing mineral and natural resources properties such as its wholly-owned Martison Phosphate Project.

These consolidated financial statements of the Company have been prepared on the basis of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future and that management does not intend to liquidate the entity, or has no realistic alternative but to do so. As at January 31, 2023, the Company had not yet achieved profitable operations, and had a net loss of $ 91,954, accumulated deficit of $4,460,963, and expects to incur further losses in the foreseeable future, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. The Company’s ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to obtain necessary financing and generate operational profit to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. The Company intends to raise additional financing to address the going concern issue. The success of the Company’s endeavors cannot be predicted at this time. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital. To date, the Company's operations have been minimally impacted and the Company continues to be able to plan and carry out activities.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") on the basis of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Accordingly, they do not include all of the information required for full annual financial statements as required by IFRS. These condensed interim consolidated financial statements are presented in Canadian dollars and should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2022.

These condensed interim consolidated financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business, and on a historical cost basis except for the revaluation of certain financial instruments. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The Board of Directors approved the condensed interim consolidated financial statements and authorized their issuance on March 23, 2023.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial framework and accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those as disclosed in the most recently completed audited consolidated financial statements for the year ended October 31, 2022.

(a) Cash and cash equivalents

Cash and cash equivalents include money market instruments and Guaranteed Investment Certificates ("GICs") which are readily convertible into cash or have maturities at the date of purchase of less than ninety days.

	January 31, 2023	October 31, 2022
Cash	$ 81,629	$ 96,177
Money market instruments & GICs	-	99,137
Cash and cash equivalents	**$ 81,629**	**$ 195,314**

Restricted cash consists of GIC collateral of $10,000 for a corporate credit card.

(b) Changes in accounting policies

The Company did not adopt any new accounting policies during the period ended January 31, 2023.

(c) Critical accounting estimates and significant judgements

The preparation of these financial statements requires management to make judgements and estimates the affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The financial statements include judgements and estimates which, by their nature, are uncertain, and actual outcomes could differ. The impacts of such judgements and 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 also in future periods when the revision affects both current and future periods. The preparation of these financial statements required the following critical accounting estimates and significant judgements:

(i) The fair value of stock options and warrants issued are subject to the limitations of the Black Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in input assumptions can materially affect the fair value estimate.

(ii) The preparation of the financial statements requires management to make judgments regarding the going concern of the Company.

(iii) Management has exercised their judgment in determining the provision for future income taxes. The judgment is based on the Company's current understanding of the tax law as it relates to the transactions and activities entered into by the Company.

4. SHARE CAPITAL

The authorized share capital consists of an unlimited number of common shares with no par value and an unlimited number of non-voting special shares. As at January 31, 2023, the Company had 52,410,675 common shares issued and outstanding.

	Number of Shares	Consideration
Balance, October 31, 2021	**52,294,527**	**$ 3,446,572**
Shares issued upon exercise of warrants (note 6)	116,148	63,299
Balance, October 31, 2022	**52,410,675**	**$ 3,509,871**
Balance, January 31, 2023	**52,410,675**	**$ 3,509,871**

5. SHARE BASED PAYMENTS

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of five years with vesting requirements at the discretion of the Board of Directors.

The following table reflects the continuity of share options for the year ended October 31, 2022 and three months ended January 31, 2023.

	Options	Exercise price
Balance, October 31, 2021	2,600,000	$ 0.34
Balance, October 31, 2022	2,600,000	0.34
Balance, January 31, 2023	**2,600,000**	**$ 0.34**

As at January 31, 2023, the following share options were outstanding and exercisable:

Expiry date	Outstanding	Exercisable	Exercise price
August 19, 2024	500,000	500,000	$ 0.07
April 26, 2026	2,100,000	1,400,000	0.41
Options outstanding and exercisable	**2,600,000**	**1,900,000**	**$ 0.32**

6. WARRANTS

During the year ended October 31, 2022, a total of 116,148 warrants with an exercise price of $0.30 per share were exercised for gross proceeds of $34,844. The fair value of warrants exercised was $28,455 which was reallocated from warrant reserve to share capital. No warrants were exercised during the three months ended January 31, 2023.

The table below reflects the continuity of warrants for the year ended October 31, 2022 and three months ended January 31, 2023.

	Number of Warrants	Allocated Value
Balance, October 31, 2021	**704,000**	**$ 172,470**
Exercised	(116,148)	(28,455)
Balance, October 31, 2022	**587,852**	**$ 144,015**
Balance, January 31, 2023	**587,852**	**$ 144,015**

The exercise price and expiry date of the warrants outstanding as at January 31, 2023 are as follows:

Expiry date	Type	Number	Exercise price
April 9, 2023	Finders Warrants	587,852	$ 0.30

7. INCOME (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted income (loss) per share:

	Three months ended Jan. 31, 2023	Three months ended Jan. 31, 2022
Net income (loss)	$ (91,954)	$ (833,811)
Weighted-average common shares outstanding:		
Basic	52,410,675	52,318,893
Diluted	52,410,675	52,318,893
Basic income (loss) per common share	**$ (0.002)**	**$ (0.016)**
Diluted income (loss) per common share	**$ (0.002)**	**$ (0.016)**

8. MARKETABLE SECURITIES

The Company did not buy or sell any marketable securities during the year ended October 31, 2022 and three months ended January 31, 2023. The Company held the following marketable securities as at January 31, 2023:

Company	Security	Cost
Chibougamau Independent Mines Inc.	89,800 common shares	$ 11,979

Fair Value Oct. 31, 2021	Acquisition (Disposition)	Gain / (Loss) on Change in Fair Value	Fair Value Oct. 31, 2022	Acquisition (Disposition)	Gain / (Loss) on Change in Fair Value	Fair Value Jan. 31, 2023
$ 20,654	$ -	$ (13,021)	**$ 7,633**	$ -	$ 1,796	**$ 9,429**

9. EXPLORATION AND EVALUATION EXPENDITURES

The Company owns a 100% interest in the Martison Phosphate Project (the "Project"), which is located about 70 kilometers northeast of the town of Hearst, Ontario. The Project mining leases and claims cover a contiguous area of approximately 8,256 ha. The Company's interest in the Project is subject to a net sales returns ("NSR") royalty of 1% for all phosphate concentrate sold, a royalty of $0.40 per tonne of phosphate concentrate produced subject to escalation based on phosphoric acid prices, and a NSR royalty of 2% for all non-phosphate-related products sold. The Company has a one-time right to acquire the 1% NSR royalty prior to commencement of commercial production for $3,000,000.

The following table sets forth the items under exploration and evaluation expenditures:

	Three months ended Jan. 31, 2023	Three months ended Jan. 31, 2022
Technical and consulting	$ 12,227	$ 747,035
Storage and rent	5,400	8,473
Leases and property taxes	741	-
Exploration and evaluation expenditures	**$ 18,368**	**$ 755,508**

10. RELATED PARTY TRANSACTIONS

(a) Director and executive compensation

Director and executive compensation for the three months ended January 31, 2022 and 2023 consisted of the following:

	Three months ended Jan. 31, 2023	Three months ended Jan. 31, 2022
Cash compensation	$ 36,000	$ 36,000
Total	**$ 36,000**	**$ 36,000**

No share options were granted to officers and directors during the year ended October 31, 2022 and three months ended January 31, 2023.

(b) Director and executive transactions

The aggregate value of transactions and outstanding balances relating to entities over which directors and executive management have control or significant influence were as follows:

		Transaction value		Balance outstanding	
	Note	3 mo. ended Jan. 31, 2023	3 mo. ended Jan. 31, 2022	Jan. 31, 2023	Jan. 31, 2022
Consulting fees	(i)	$ 36,000	$ 36,000	$ -	$ -
Total		**$ 36,000**	**$ 36,000**	**$ -**	**$ -**

(i) The Company pays consulting fees of $7,000 per month to Stephen Case, the Chief Executive Officer and a Director, and $5,000 per month to Fraser Laschinger, the Chief Financial Officer.

11. COMMITMENTS AND CONTINGENCIES

(a) Mining leases

The Company has three 21-year mining leases with the Province of Ontario which grant the Company surface and mining rights to the Project. One of the mining leases commenced on August 1, 2002 and the remaining two on May 1, 2011. The aggregate annual payment for the three leases is estimated to be approximately $13,000.

12. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholder's equity (deficit), which amounted to $ (115,469) on January 31, 2023. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. Neither the Company nor its subsidiary is subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended January 31, 2023.

13. FINANCIAL RISK FACTORS

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

(a) Credit risk

The Company's cash balance of $ 81,629 (note 3(a)) is held by a Schedule I Canadian Chartered Bank. The Company's cash equivalents balance of $ nil (note 3(a)) primarily consists of investment savings accounts and/or guaranteed investment certificates issued by Schedule I Canadian Chartered Banks. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments is remote.

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to fund its liabilities as they become due. All of the Company's financial liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. As at January 31, 2023, the Company had cash and cash equivalents of $ 81,629 to settle current liabilities of $ 236,469. The Company intends to raise additional financing to address the going concern issue.

(c) Interest rate risk

The Company has cash balances and no interest-bearing debt. Interest rate risk is remote.

(d) Market price risk

The Company is indirectly exposed to price risk with respect to the price of phosphate products. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity.

(e) Marketable securities price risk

The Company is exposed to equity securities price risk because of the marketable securities held by the Company. The Company's marketable securities are not part of its core operations, and accordingly, gains and losses from these investments are not representative of the Company's performance. As at January 31, 2023, the impact of a 10% increase or decrease in the share prices of the marketable securities would have resulted in an increase or decrease of $ 943 that would have been included in net loss and comprehensive loss.

14. EVENTS AFTER THE REPORTING PERIOD

On February 15, 2023, the Company granted 2,200,000 share options to employees and consultants of the Company exercisable at $0.25 per share for a period of five years from the date of issuance. One-third of the options vest immediately, one-third vest on August 15, 2023, and one-third vest on February 15, 2024.

On March 15, 2023, the Company closed a non-brokered private placement that raised aggregate gross proceeds of $2,300,000 through the issuance of 11,500,000 common shares priced at $0.20 per common share. The gross proceeds of the Offering will be used for the exploration and advancement of the Company's Martison Phosphate Project, and for general corporate purposes. The Company paid finders fees in compliance with the policies of the Canadian Securities Exchange and applicable securities legislation totaling $8,200 in cash, 52,500 common shares valued at $16,275, and 52,500 finders warrants valued at $7,900 which are exercisable at $0.30 and expire on March 15, 2025. In addition, the Company paid an advisory fee totaling $40,800.