Tocvan Ventures Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended November 30, 2022 and 2021
(In Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Company have been prepared by management and approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these unaudited interim condensed 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.

January 30, 2023

TOCVAN VENTURES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

	Note		November 30, 2022		August 31, 2022
ASSETS					
CURRENT					
Cash		$	40,724	$	86,439
Receivables	6		83,755		114,188
Prepaid expenses	7		191,287		266,398
Marketable securities	9		600,000		600,000
Financial asset - current	5		973,631		1,229,026
TOTAL CURRENT ASSETS			1,889,397		2,296,051
Financial asset – long term	5		564,419		1,023,506
Exploration and evaluation assets	4		5,133,047		4,320,428
TOTAL ASSETS		$	**7,586,863**	$	**7,639,985**
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	8	$	69,899	$	87,494
Due to related parties	12		258,030		211,987
Dividend payable	9		600,000		600,000
Debenture payable	5,11		1,536,935		1,924,034
Warrants payable	5,10		908,601		1,229,047
TOTAL CURRENT LIABILITIES			3,373,465		4,052,562
SHAREHOLDERS' EQUITY					
Share capital	10		8,350,007		7,694,247
Reserves	10		1,218,337		902,334
Deficit			(5,354,946)		(5,009,158)
TOTAL SHAREHOLDERS' EQUITY			4,213,398		3,587,423
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	**7,586,863**	$	**7,639,985**

Nature and continuance of operations (Note 1)
Subsequent event (Note 15)

"Brody Sutherland"
Director

"Greg Ball"
Director

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

TOCVAN VENTURES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Note	Three months ended November 30, 2022	2021
Expenses			
Advertising and promotion		$ 204,532	$ 146,345
Audit and accounting		1,556	–
Consulting		27,966	14,700
Financing fees		3,675	–
Legal		11,951	–
Management fees	12	17,000	17,500
Meals and entertainment		9,781	106
Office and miscellaneous		5,988	6,161
Registration and transfer fees		10,556	13,722
Share-based compensation	12	316,003	71,803
Travel		15,049	4,304
Operating expenses		(624,057)	(274,641)
Other gain/(loss)			
Foreign exchange loss		(7,011)	–
Interest expense	5,11	(7,004)	–
Realized loss on financial asset	5	(158,870)	–
Unrealized loss on financial asset	5	(263,395)	–
Unrealized gain on debenture payable	5,11	394,103	–
Unrealized gain on warrants payable	5	320,446	–
Net loss and comprehensive loss for the period		**$ (345,788)**	**$ (274,641)**
Loss per share, basic and diluted		**$ (0.01)**	**$ (0.01)**
Weighted average number of shares outstanding – basic and diluted		**36,503,635**	**30,379,986**

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

TOCVAN VENTURES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)
(Unaudited)

	Number of Shares	Share Capital	Reserves	Deficit	Total Equity
Balance at August 31, 2021	**29,265,436**	**$4,686,655**	**$627,550**	**$(2,559,975)**	**$2,754,230**
Shares issued on exercise of options	37,000	13,875	–	–	13,875
Shares issued on exercise of warrants	39,040	18,808	–	–	18,808
Shares issued for exploration properties	1,500,000	1,365,000	–	–	1,365,000
Units issued for cash	471,225	471,225	–	–	471,225
Share issuance costs	–	(47,643)	–	–	(47,643)
Share-based compensation	–	–	82,848	–	82,848
Loss for the period	–	–	–	(274,641)	(274,641)
Balance at November 30, 2021	**31,312,701**	**$6,507,920**	**$710,398**	**$(2,834,616)**	**$4,385,952**
Balance at August 31, 2022	**36,270,650**	**$7,694,247**	**$902,334**	**$(5,009,158)**	**$3,587,423**
Shares issued on exercise of warrants	9,600	5,760	–	–	5,760
Shares issued for exploration properties	1,000,000	650,000	–	–	650,000
Share-based compensation	–	–	316,003	–	316,003
Loss for the period	–	–	–	(345,788)	(345,788)
Balance at November 30, 2022	**37,280,250**	**$8,350,007**	**$1,218,337**	**$(5,354,946)**	**$4,213,398**

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

TOCVAN VENTURES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended November 30, 2022	2021
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss	$ (345,788)	$ (274,641)
Items not involving cash:		
Interest expense	7,004	–
Share-based compensation	316,003	71,803
Unrealized loss on equity swap agreement	263,395	–
Realized loss on equity swap agreement	158,870	–
Unrealized gain on convertible debenture	(394,103)	–
Unrealized gain on warrants payable	(320,446)	–
Changes in non-cash working capital items:		
Receivables	(4,866)	(935)
Due to related party	98,059	34,151
Due from related party	–	55,000
Prepaid expenses	75,111	(82,765)
Accounts payable and accrued liabilities	(75,543)	(8,339)
Net cash used in operating activities	(222,304)	(205,726)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Proceeds from issuance of shares, net	–	467,310
Proceeds from warrants exercised	5,760	–
Receipts from settlement of equity swaps	327,516	–
Net cash provided by financing activities	333,276	467,310
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	(156,687)	(53,296)
Net cash used in investing activities	(156,687)	(53,296)
Change in cash	(45,715)	208,288
Cash, beginning	86,439	149,860
Cash, ending	$ 40,724	$ 358,148
NON-CASH TRANSACTIONS		
Exploration and evaluation assets included in accounts payable	$ 166,078	$ –
Shares issued for exploration and evaluation assets	$ 650,000	$ 1,365,000

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Tocvan Ventures Corp. (the "Company") was incorporated on May 23, 2018, under the Alberta Business Corporations Act. The Company's shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "TOC".

The Company's head office address is Suite 820 – 1130 West Pender St., Vancouver, British Columbia V6E 4A4 Canada. The registered and records office address is Suite 1150, 707 - 7th Avenue S.W., Calgary, Alberta, T2P 3H6 Canada.

On September 15, 2020, the Company incorporated, under the laws of Mexico, a wholly-owned subsidiary, Burgencio S.A. de C.V. ("Burgencio"). Burgencio's office address is: Blvd. Morelos No, 639,Col. Bachoco, C.P. 83148, Hermosillo, Sonora, Mexico.

The Company is engaged in the acquisition, exploration and development of mineral properties. At November 30, 2022, the Company had not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

These condensed interim consolidated financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. At November 30, 2022, the Company had an accumulated deficit of $5,354,946 expected to incur further losses, and required additional equity financing to continue developing its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which results in a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. These adjustments could be material.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on January 30, 2023.

a) Statement of compliance and basis of presentation

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook - Accounting including IAS 34 Interim financial reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended August 31, 2022.
The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. Balance sheet items are classified as current if receipt or payment is due within twelve months. Otherwise, they are presented as non-current.

b) Significant accounting policies

The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the preparation of the Company's annual consolidated financial statements for the year ended August 31, 2022.

c) Accounting standards issued but not yet effective

Accounting standards, amendments to standards, or interpretations have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

d) Basis of consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, Burgencio. The financial statements of Burgencio are included in the consolidated financial statements from the date that control commenced until the date that control ceases. All intercompany transactions and balances have been eliminated. Where necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies in-line with those used by the Company.

The functional currency of Burgencio is the Canadian dollar, which is determined to be the currency of the primary economic environment in which Burgencio operates.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to provisions for restoration and environmental obligations and contingent liabilities, share-based compensation, deferred taxes, and the valuation and remeasurement of the financing transaction (Note 5).

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applicable to the Company's condensed interim consolidated financial statements include:

1) the classification/allocation of expenses as exploration and evaluation expenditures or operating expenses;
2) the determination that the company will continue as a going concern for the next years;
3) the determination whether there have been any events or changes in circumstances that indicate the impairment of its exploration and evaluation assets; and
4) classification of financial instruments issued in the financing transaction as liabilities or equity (Note 5).

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets

Title to exploration and evaluation ("E&E") asset interests involve certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to its exploration and evaluation asset and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Period ended November 30, 2022	Rogers Creek	Pilar	El Picacho	Total
Acquisition costs				
Balance, August 31, 2022	$ –	$ 1,915,000	$ 135,687	$ 2,050,687
Cash	–	75,000	–	75,000
Shares issued	–	650,000	–	650,000
Balance, November 30, 2022	–	2,640,000	135,687	2,775,687
Deferred exploration expenditures				
Balance, August 31, 2022	–	2,116,564	153,177	2,269,741
Geologist fees and assays	–	45,187	40,728	85,915
Other exploration expenses	–	1,704	–	1,704
Balance, November 30, 2022	–	2,163,455	193,905	2,357,360
Total E&E assets, November 30, 2022	**$ –**	**$ 4,803,455**	**$ 329,592**	**$ 5,133,047**

Year ended August 31, 2022	Rogers Creek	Pilar	El Picacho	Total
Acquisition costs				
Balance, August 31, 2021	$ 125,000	$ 990,000	$ 94,196	$ 1,209,196
Cash	–	25,000	41,491	66,491
Shares issued	465,000	900,000	–	1,365,000
Disposition of assets	(590,000)	–	–	(590,000)
Balance, August 31, 2022	–	1,915,000	135,687	2,050,687
Deferred exploration expenditures				
Balance, August 31, 2021	83,970	1,241,963	–	1,325,933
Geologist fees and assays	–	831,370	84,066	915,436
Other exploration expenses	–	43,231	69,111	112,342
Disposition of assets	(83,970)	–	–	(83,970)
Balance, August 31, 2022	–	2,116,564	153,177	2,269,741
Total E&E assets, August 31, 2022	**$ –**	**$ 4,031,564**	**$ 288,864**	**$ 4,320,428**

Pilar Project, Sonora, Mexico

On September 22, 2019, the Company signed an option agreement to acquire 51% of the Pilar Gold Project in the state of Sonora, Mexico (the "Pilar Project") from Colibri Resource Corp. ("Colibri"). The agreement was amended on August 31, 2021, and the updated conditions are as follows:

(Expressed in Canadian Dollars)

	Cash payment	Exploration work	Shares
September 22, 2019	$125,000 (paid)	$Nil	2,000,000 (issued)
September 21, 2020	$125,000 (paid)	$175,000 (completed)	1,000,000 (issued)
September 21, 2021	$25,000 (paid)	$425,000 (completed)	1,000,000 (issued)
September 21, 2022	$75,000 (paid)	$400,000 (completed)	1,000,000 (issued)
September 21, 2023	$75,000	$500,000	–
September 21, 2024	–	$500,000	–
TOTAL	**$425,000**	**$2,000,000**	**5,000,000**

Once the Company has fulfilled the above commitments it will have earned into a 51% interest in the Pilar Project and will have six months to decide to purchase the remaining 49% interest in the property or establish a joint venture agreement with Colibri. The option to acquire the additional interest will require a $2,000,000 cash payment and granting Colibri a 2% NSR, 1% of which can be repurchased for an additional cash payment of $1,000,000.

El Picacho Project, Sonora, Mexico

On June 7, 2021, the Company signed a letter of commitment to purchase the El Picacho Project ("El Picacho Project") from Recursos Millrock S. de R.L. de C.V. ("Millrock") a Mexican corporation. On signing of the letter of commitment the Company made an initial payment of $94,196 (USD$78,000).

On September 15, 2021, the Company entered into an assignment agreement with Millrock for an initial five-year option to acquire the El Picacho property from the property owners, Suarez Brothers, within the Caborca Orogenic Gold Belt in Sonora, Mexico. El Picacho consists of 12 mining concessions.

To acquire 100% interest in the El Picacho Project, the Company is required to pay Suarez Brothers USD$1,985,600 and an additional payment of USD$60,000 will be required to gain surface rights to use the Picacho Ranch. Both payments are to be paid in series of instalments ending on April 1, 2026. Millrock is to retain a 2% NSR with option for the Company to purchase back 1% for USD$1,000,000. Upon full execution of the Option Agreement and completion of all cash payments, an Annual Advance Minimum Royalty ("AAMR") of USD$25,000 will be paid to Millrock, doubling each year until the start of production. AAMR payments will be subtracted from royalty payments on commencement of production.

5. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT AND LOSS

On June 28, 2022, the Company entered into a financing transaction with Sorbie Bornholm LP ("Sorbie") whereby the Company agreed to issue 3,200,000 units (the "Sorbie Unit") and 2,809 convertible notes with a face value of $1,000 per note (the "Sorbie Notes") in exchange for 24 monthly cash payments (the "Monthly Settlements") that were measured against a benchmark price of $1.10 per share (the "Benchmark") with a set number of shares totaling $5,125,000 at Benchmark (the "Sorbie Transaction") (Notes 10 and 11).

The actual Monthly Settlements are determined based on a volume weighted average price ("VWAP") for 20 trading days prior to the Monthly Settlements. If the measured share price exceeds the Benchmark for the Monthly Settlements, the Company will receive more than 100% of the expected Monthly Settlements. However, should the share price be below the Benchmark, the Company will receive less than 100% of the Monthly Settlements.

Each Sorbie Unit consists of one common share and one warrant entitling Sorbie to purchase one additional common share at a price of $1.20 until June 28, 2025. The Sorbie Notes mature on June 28, 2025, and can be converted, at discretion of the note holder, into 1,220 common shares per Sorbie Note. The Sorbie Notes pay interest at 1% per year, which is payable in common shares calculated at $0.82 per share. In connection with the Sorbie Notes, the Company issued 1,713,490 detachable warrants that entitle Sorbie to purchase one additional common share at a price of $1.30 until June 28, 2025, and an additional 1,713,490 detachable warrants that entitle Sorbie to purchase one additional common share at a price of $1.40 until June 28, 2025.

(Expressed in Canadian Dollars)

To determine the fair value of the Monthly Settlements the Company used a Monte Carlo simulation.

Based on the terms of the Monthly Settlements, the Company calculated the expected future VWAP share price at each Monthly Settlement, multiplied by the number of predetermined shares per the payment schedule and then discounted using the risk-free rate to determine the present value of the future cash flows. The following assumptions were used:

	June 28, 2022	**August 31, 2022**	**November 30, 2022**
Number of Monthly Settlements(1)	24	22	19
Share price on the valuation date	$0.82	$0.56	$0.445
Volatility	90%	85%	80%
Risk free rate	3.16%	3.66%	4.09%

(1) At June 28, 2022, the first Monthly Settlement was valued based on the 454,545 shares, the following 22 Monthly Settlements were valued based on 182,806 shares, with the final Monthly Settlement valued based on 182,804 shares. At August 31, 2022, and November 30, 2022 the Monthly settlements were valued based on 182,806 shares, with the final Monthly Settlement valued based on 182,804 shares.

Based on the above parameters, the Company determined the fair value of the cash flows expected from the Sorbie Transaction at November 30, 2022, to be $1,538,050 (August 31, 2022 - $2,252,532).

To determine the allocation of the fair value of the Monthly Settlements, the Company analyzed Sorbie Units and Sorbie Notes under guidance available under IFRS 9 *Financial Instruments*. IFRS requires that the terms of a convertible instrument are analyzed and each component separately accounted for according to the definitions of a financial liability and equity. The Company determined that Sorbie Notes and the warrants that were issued as part of the Sorbie Notes and Sorbie Units were liability, therefore the fair values of future Monthly Settlements were allocated first to the Sorbie Notes, then to the warrants with the remaining value allocated to the shares issued as part of the Sorbie Units.

The following table summarizes the initial allocation of the future Monthly Settlements at June 28, 2022, to the liability components, and their subsequent revaluations:

	June 28, 2022	**August 31, 2022**	**November 30, 2022**
Sorbie Notes(1)	$ 2,810,124	$ 1,924,034	$ 1,536,935
Warrants to acquire up to 1,713,490 Shares at $1.30 per Share	261,387	313,343	231,630
Warrants to acquire up to 1,713,490 Shares at $1.40 per Share	253,729	297,069	219,602
Warrants to acquire up to 3,200,000 Shares at $1.20 per Share	503,516	618,635	457,369
3,200,000 Shares issued as part of the Sorbie Units	–	–	–
Total	**$ 3,828,756**	**$ 3,153,081**	**$ 2,445,536**

(1) As at November 30, 2022, the Company recorded $11,929 in accrued interest on the Sorbie Notes (August 31, 2022 - $4,925).

Since Sorbie Notes can be settled in shares of the Company at the election of Sorbie at any time, they were determined to be current liability and were valued based on the fair market value of the Company’s shares on the date of the transaction, being $0.82, and subsequently revalued using the market value of the Company’s shares on November 30, 2022, being $0.445. At November 30, 2022, the Company recognized $394,103 as unrealized gain on revaluation of the Sorbie Notes to their fair market value (November 30, 2021 – $Nil).

(Expressed in Canadian Dollars)

The warrants issued as part of the Sorbie Transaction were valued based on the Black Scholes option pricing model using the following assumptions:

	June 28, 2022	August 31, 2022	November 30, 2022
Share price on the valuation date	$0.82	$0.56	$0.445
Exercise price	$1.20 - $1.40	$1.20 - $1.40	$1.20 - $1.40
Years to exercise	3.00	2.83	2.58
Risk free rate	3.20%	3.60%	3.75%
Volatility	97.50%	81.50%	90.00%

At November 30, 2022, the Company recognized $320,446 as unrealized gain on revaluation of the Sorbie warrants to their fair market value (November 30, 2021 - $Nil).

As at November 30, 2022, the Company received $672,152 representing four Monthly Settlements (of which $327,516 was received during the three-month period ended November 30, 2022), the fifth Monthly Settlement of $79,412 was received subsequent to November 30, 2022. The difference between each Monthly Settlement's fair value as at the initial recognition on June 28, 2022, and the actual Monthly Settlement received is recorded through profit and loss as realized income or loss for the period. For the period ended November 30, 2022, the Company recorded realized loss on settlement of $158,870 (November 30, 2021 – $Nil).

At November 30, 2022, the fair value of the future Monthly Settlements was determined to be $1,538,050. The difference between the initial valuation of the Monthly Settlements and their value as at the reporting date, is recorded in the profit and loss statement as unrealized loss on the financial asset. As at November 30, 2022, the Company recognized $263,395 as unrealized loss on the financial asset (November 30, 2021 – $Nil).

The following table summarizes the details of the Company's financial asset measured through profit and loss:

Financial asset at fair value through profit and loss	**November 30, 2022**	**August 31, 2022**
Balance at the beginning of the period	$ 2,252,532	$ –
Financial asset at initial recognition	–	3,828,756
Cash received	(327,516)	(344,636)
Change in cash receivable subsequent to the period-end	35,299	(114,711)
Realized loss on the Monthly Settlements	(158,870)	(63,679)
Unrealized loss on revaluation of the financial asset at fair value	(263,395)	(1,053,198)
Total	**$ 1,538,050**	**$ 2,252,532**

The Company recorded the future value of Monthly Settlements that are due within 12 months from the date of these financial statement as current assets with the remaining Monthly Settlements included as part of non-current assets as follows:

Financial asset at fair value through profit and loss	**November 30, 2022**	**August 31, 2022**
Current	$ 973,631	$ 1,229,026
Non-current	564,419	1,023,506
Total	**$ 1,538,050**	**$ 2,252,532**

(Expressed in Canadian Dollars)

6. RECEIVABLES

	November 30, 2022	August 31, 2022
Sorbie payment receivable	$ 79,412	$ 109,434
GST receivable	4,343	4,724
Other receivable	–	30
	$ 83,755	**$ 114,188**

7. PREPAID EXPENSES

	November 30, 2022	August 31, 2022
Advertising and promotion	$ 178,705	$ 246,386
Registration and transfer fees	10,654	15,220
Deferred exploration expenditures	1,928	2,892
Consulting	–	1,900
	$ 191,287	**$ 266,398**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2022	August 31, 2022
Accounts payable	$ 24,574	$ 51,778
Accrued liabilities	45,325	35,716
	$ 69,899	**$ 87,494**

9. DIVIDEND PAYABLE

On May 23, 2018, the Company entered into a purchase agreement with C3 Metals Inc. ("C3 Metals") to earn an 80% interest in certain mineral claims known as the Rogers Creek property ("Rogers Creek") located in the province of British Columbia. On September 29, 2021, the Company signed an agreement with C3 Metals to purchase 100% of the Rogers Creek, and on October 5, 2021, the Company issued 500,000 shares for a 100% interest in Rogers Creek.

On April 22, 2022, The Company executed an assignment agreement for the sale of Rogers Creek to Cascade Copper Corp. ("Cascade Copper"), a privately-held company, in exchange for 5,000,000 common shares of Cascade Copper with a fair value of $0.05 per Cascade Share for an aggregate consideration of $250,000. The fair value of the Cascade Shares was recorded as marketable securities. The Company resolved to distribute the Cascade Shares to the Company's shareholders of record as of the close of business on May 31, 2022. The distribution will be effected on the date Cascade Copper completes its initial public offering.

At November 30, 2022, and August 31, 2022, Cascade Shares were valued at $0.12.

	November 30, 2022	August 31, 2022
Balance at the beginning of the period	$ 600,000	$ –
Dividend payable at declaration	–	250,000
Fair value adjustment	–	350,000
Dividend payable at end of the period	**$ 600,000**	**$ 600,000**

(Expressed in Canadian Dollars)

10. SHARE CAPITAL

Authorized and issued

The authorized share capital consists of an unlimited number of common shares without par value (the "Common Shares") and an unlimited number of shares designated as preferred shares. At November 30, 2022, the Company had 37,280,250 common shares issued and outstanding (August 31, 2022 – 36,270,650) and no preferred shares issued and outstanding.

Shares issued during the period ended November 30, 2022

On September 21, 2022, the Company issued 1,000,000 Common Shares with a fair value of $650,000 as payment for Pilar Project pursuant to the Property Option Agreement dated September 22, 2019, as amended on August 31, 2021, between the Company and Colibri (Note 4).

On September 27, 2022, the Company issued 9,600 Common Shares on exercise of finder's warrants with an exercise price of $0.60 for total gross proceeds of $5,760.

Stock Options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors.

	Three months ended November 30, 2022			Year ended August 31, 2022		
	Number of Stock Options	Weighted Average Exercise Price		Number of Stock Options	Weighted Average Exercise Price	
Options outstanding, beginning	2,725,250	$	0.31	1,680,000	$	0.31
Options exercised	–		n/a	(254,750)	$	0.37
Options granted	–		n/a	1,300,000	$	0.34
Options outstanding, ending	2,725,250	$	0.54	2,725,250	$	0.54
Options outstanding, exercisable	1,750,250	$	0.45	1,425,250	$	0.38

As at November 30, 2022, the following incentive stock options are outstanding:

Number of Stock Options	Exercise Price	Years remaining	Expiry Date	Exercisable at November 30, 2022
325,000	$ 0.15	1.90	October 24, 2024	325,000
300,000	$ 0.35	2.81	September 11,2025	300,000
350,250	$ 0.40	2.81	September 21, 2025	350,250
100,000	$ 0.40	3.04	December 15, 2025	100,000
150,000	$ 0.35	3.14	January 19, 2026	150,000
200,000	$ 0.80	3.42	May 3, 2026	200,000
1,300,000	$ 0.72	4.68	August 5, 2027	325,000
2,725,250	**$ 0.54**	**3.67**		**1,750,250**

Subsequent to November 30, 2022, the Company issued 31,250 Shares on exercise of an option by one of the directors of the Company, who resigned from the board of directors on November 30, 2022, for total proceeds of $11,563.

(Expressed in Canadian Dollars)

Share-based compensation

On August 5, 2022, the Company granted 1,300,000 stock options to certain consultants, directors, and officers of the Company which entitle the holders to purchase one Common Share for each option held at a price of $0.72 per Common Share expiring on August 5, 2027. The options vest quarterly at a rate of 25% per quarter beginning on November 5, 2022.

In connection with this grant, the Company calculated the fair value of the share-based compensation to be $704,339 using the Black Scholes option pricing model with the following assumptions: share price - $0.72; exercise price - $0.72; expected life – 5 years; expected volatility – 99.65%; risk free interest rate – 2.90%.

During the period ended November 30, 2022, the Company recognized $316,003 in share-based compensation associated with these options. During the period ended November 30, 2021, the Company recognized $71,803 in share-based compensation associated with the granted options.

Warrants

The changes in the number of warrants outstanding during the three-month period ended November 30, 2022, and for the year ended August 31, 2022, are as follows:

	Three months ended November 30, 2022		Year ended August 31, 2022	
	Number of Warrants	**Weighted Average Exercise Price**	**Number of Warrants**	**Weighted Average Exercise Price**
Warrants outstanding, beginning	9,491,103	$1.22	1,368,375	$ 0.72
Warrants issued	–	n/a	8,240,168	$ 0.80
Warrants exercised	(9,600)	$0.60	(101,040)	$ 0.20
Warrants expired	(41,667)	$0.60	(16,400)	$ 0.20
Warrants outstanding, ending	9,439,836	$1.23	9,491,103	$1.22

At November 30, 2022, the following regular warrants are outstanding:

Expiry Date	**Number of Regular Warrants**	**Exercise Price**
March 31, 2023(1)	1,199,668	$ 0.75
November 29, 2023	235,613	$ 1.50
December 13, 2023	133,000	$ 1.50
September 21, 2023	481,071	$ 1.35
May 9, 2024	432,750	$ 1.40
June 14, 2024	243,500	$ 1.40
June 28, 2025	1,713,490	$ 1.30
June 28, 2025	1,713,490	$ 1.40
June 28, 2025	3,200,000	$ 1.20
	9,352,582	**$ 1.23**

(1) During the three-month period ended November 30, 2022, the Company extended expiration date for the 1,199,668 Share purchase warrants from September 30, 2022, to March 31, 2023. All other terms and conditions of these Warrants including the exercise price, remain the same.

As at November 30, 2022, the weighted average life of the regular warrants was 2.06 years.

(Expressed in Canadian Dollars)

At November 30, 2022, the following finders' warrants are outstanding:

Expiry Date	Number of Finders' Warrants	Exercise Price
November 29, 2023	20,098	$ 1.00
December 13, 2023	1,280	$ 1.00
September 21, 2023	19,096	$ 0.75
May 9, 2024	34,620	$ 0.80
June 14, 2024	12,160	$ 0.82
	87,254	**$ 0.84**

As at November 30, 2022, the weighted average life of the Finders' warrants was 1.21 years.

11. CONVERTIBLE NOTES

In connection with the Sorbie Transaction (Note 5), the Company issued a total of 2,809 convertible notes with a face value of $1,000 per Sorbie Note for a total of $2,810,124 maturing on June 28, 2025. Each Sorbie Note has a coupon rate of 1% per annum, non-compounding, and is payable in Common Shares at a conversion price of $0.82 per Common Share at maturity date. Each note is convertible into 1,220 common shares. The Sorbie Notes can be converted to shares at discretion of Sorbie, provided that notice in writing setting out the number of Sorbie Notes to be converted and the proposed date for conversion is given to the Company at least five business days prior to the proposed date for conversion. In addition, the Sorbie Notes cannot be redeemed prior to the maturity date, when they automatically convert to Common Shares of the Company.

The Company determined that, since the consideration receivable for Sorbie Notes cannot be readily determined, and due to convertibility of the Sorbie Notes at the discretion of Sorbie at any time after the close of the Sorbie Transaction and before their maturity date, the fair value of these notes should be recorded as current liability with any changes in the fair value being recognized as profit or loss. At November 30, 2022, the Company recognized $394,103 as gain on the revaluation of the Sorbie Notes, which resulted from the decrease of the Company's share price from $0.56 at August 31, 2022, to $0.445 at November 30, 2022 (November 30, 2021 - $Nil).

As at November 30, 2022, the Company recorded $7,004 in interest on the Sorbie Notes (November 30, 2021 - $Nil).

12. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the periods ended November 30, 2022 and 2021 was as follows:

Description	November 30, 2022	November 30, 2021
Share-based compensation	$ 170,155	$ 27,820
Exploration expenses	84,574	–
Management fees	17,000	17,500
	$ 271,729	$ 45,320

Related party balances

At November 30, 2022, $79,142 was owed to the Company's CEO and a company controlled by the CEO (August 31, 2022 - $64,739).

At November 30, 2022, $16,050 was owed to a director and a company controlled by him (August 31, 2022 - $20,250).

(Expressed in Canadian Dollars)

At November 30, 2022, $160,838 was owed to a company controlled by a director of the Company (August 31, 2022 - $125,948).

At November 30, 2022, $Nil was owed to an officer of the Company (August 31, 2022 - $1,050).

At November 30, 2022, $2,000 was owed to a company controlled by director of the Company (August 31, 2022 - $Nil).

All amounts due to related parties are unsecured, non-interest bearing, and with no fixed repayment terms.

13. CAPITAL MANAGEMENT

The Company considers its capital to consist of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

14. FINANCIAL INSTRUMENTS

a. Fair Value

The Company's financial instruments consist of cash, amounts receivable, marketable securities, accounts payable and accrued liabilities which are all classified at amortized cost. The fair values of these financial instruments approximate their carrying values because of their current nature. The financial asset, debenture payable, warrants payable and dividends payable, are all classified at FVTPL. Financial assets and liabilities at fair value through profit and loss are revalued at each reporting date based on the three levels of a fair value hierarchy.

The following table summarizes the carrying values of the Company's financial instruments:

	November 30, 2022	August 31, 2022
Financial assets at amortized cost (i)	$ 124,479	$ 200,627
Financial assets at fair value through profit and loss (ii)	$ 2,138,050	$ 2,852,532
Financial liabilities at amortized cost (iii)	$ 327,929	$ 299,481
Financial liabilities at fair value through profit and loss (iv)	$ 3,045,536	$ 3,753,081

(i) Cash and amounts receivable
(ii) Monthly Settlements resulting from Sorbie Transaction (Notes 5 and 11), and marketable securities
(iii) Due to related parties, accounts payable and accrued liabilities
(iv) Sorbie Notes, warrants payable issued to Sorbie as a result of Sorbie Transaction (Notes 5 and 11), and dividend payable (Note 9)

b. Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, which is held with a high credit quality financial institutions, Monthly Settlements receivable as a result of Sorbie Transaction, and to a smaller extent GST receivable from the Government of Canada.

c. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

d. Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has financial risk arising from fluctuations in foreign exchange rates as the Company, through its wholly owned subsidiary, does own foreign currency denominated financial assets and liabilities.

e. Interest Rate Risk

Interest rate risk is the risk that arises from fluctuating interest rates. The Company is not exposed to significant interest rate risk.

f. Price risk

The Company is exposed to price risk with respect to commodity prices. 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 the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company. The Company is exposed to equity price risk as a result of its investment in common shares of Cascade Copper following sale of the Rogers Creek Property in exchange for 5,000,000 common shares of Cascade Copper.

15. SUBSEQUENT EVENT

On January 30, 2023, the Company closed the first tranche of the private placement financing announced on January 27, 2023 (the "January Financing"), by issuing 441,713 units of the Company's common stock at $0.52 per unit (the "January Unit") for gross proceeds of $229,691. Each January Unit consists of one Common Share and one-half of one share purchase warrant (the "January Warrant"). Each whole January Warrant will entitle the holder thereof to acquire one Common Share at a price of $0.62, for a period of 18 months from the closing date of the private placement. In connection with the January Financing, the Company paid $20,689 in finder's fees and issued 39,787 finder's warrants exercisable at $0.62 per Common Share and expiring on July 30, 2024.