



**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**  
**For the Nine Months Ended May 31, 2023 and 2022**  
*(Expressed 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 condensed interim consolidated 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 condensed interim consolidated 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.

July 28, 2023

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

	Note	May 31, 2023	August 31, 2022
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$	37,935	\$ 86,439
Receivables	6	159,568	114,188
Prepaid expenses	7	88,147	266,398
Marketable securities	9	550,000	600,000
Financial assets - current	5	1,654,737	1,229,026
<b>TOTAL CURRENT ASSETS</b>		<b>2,490,387</b>	<b>2,296,051</b>
Financial assets – long term	5	104,265	1,023,506
Exploration and evaluation assets	4	5,852,568	4,320,428
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>8,447,220</b>	<b>\$ 7,639,985</b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	8	\$ 209,690	\$ 87,494
Due to related parties	12	279,502	211,987
Dividend payable	9	550,000	600,000
Debenture payable	5,11	1,945,044	1,924,034
Warrants payable	5,10	1,068,073	1,229,047
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,052,309</b>	<b>4,052,562</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	9,328,117	7,694,247
Reserves	10	1,550,776	902,334
Deficit		(6,483,982)	(5,009,158)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>4,394,911</b>	<b>3,587,423</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$</b>	<b>8,447,220</b>	<b>\$ 7,639,985</b>

Nature and continuance of operations (Note 1)

Subsequent events (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		Nine months ended	
		May 31, 2023	May 31, 2022	May 31, 2023	May 31, 2022
<b>EXPENSES</b>					
Advertising and promotion		\$ 141,375	\$ 194,726	\$ 722,311	\$ 573,237
Audit and accounting		1,138	1,116	49,265	2,649
Consulting		46,461	25,200	113,249	68,100
Financing fee		–	–	3,675	–
Legal		11,989	6,692	44,185	29,515
Management fees	12	15,000	11,000	47,000	50,500
Meals and entertainment		4,380	–	15,882	106
Office and miscellaneous		10,101	23,302	25,739	44,429
Registration and transfer agent fees		15,543	19,971	46,768	48,722
Share-based compensation	10,12	140,336	19,026	621,924	132,236
Travel		8,738	1,509	30,023	8,379
Operating expenses		(395,061)	(302,542)	(1,720,021)	(957,873)
<b>Other gain/(loss)</b>					
Foreign exchange gain/(loss)		83,938	–	(52,212)	–
Interest expense		(8,558)	–	(22,488)	–
Realized loss on sale of asset		–	(423,970)	–	(423,970)
Realized loss on financial assets	5	(102,745)	–	(420,026)	–
Unrealized gain on financial assets	5	355,992	–	308,015	–
Unrealized loss on debenture payable	5,11	(394,103)	–	–	–
Unrealized gain/(loss) on warrants payable	5,11	(77,556)	–	431,908	–
<b>Net loss for the period</b>		<b>(538,093)</b>	<b>(726,512)</b>	<b>(1,474,824)</b>	<b>(1,381,843)</b>
Foreign currency translation		–	19,897	–	19,897
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (538,093)</b>	<b>\$ (706,615)</b>	<b>\$ (1,474,824)</b>	<b>\$ (1,361,946)</b>
<b>Loss per share, basic and diluted</b>		<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.04)</b>	<b>\$ (0.04)</b>
<b>Weighted average number of shares outstanding – basic and diluted</b>		<b>39,289,451</b>	<b>32,237,087</b>	<b>37,984,207</b>	<b>31,407,195</b>

*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	AOCI	Deficit	Total Equity
<b>Balance at August 31, 2021</b>	<b>29,265,436</b>	<b>\$ 4,686,655</b>	<b>\$ 627,550</b>	<b>\$ –</b>	<b>\$ (2,559,975)</b>	<b>\$ 2,754,230</b>
Shares issued on exercise of options	174,500	65,125	–	–	–	65,125
Shares issued on exercise of warrants	101,040	44,958	–	–	–	44,958
Shares issued for exploration properties	1,500,000	1,365,000	–	–	–	1,365,000
Units issued for cash	1,651,046	1,444,228	–	–	–	1,444,228
Share issuance costs	–	(152,913)	30,604	–	–	(122,309)
Shares subscribed	–	–	132,236	–	–	132,236
Foreign exchange translation	–	–	–	19,897	–	19,897
Loss for the period	–	–	–	–	(1,381,843)	(1,381,843)
<b>Balance at May 31, 2022</b>	<b>32,692,022</b>	<b>\$ 7,453,053</b>	<b>\$ 790,390</b>	<b>\$ 19,897</b>	<b>\$ (3,941,818)</b>	<b>\$ 4,321,522</b>
<b>Balance at August 31, 2022</b>	<b>36,270,650</b>	<b>\$ 7,694,247</b>	<b>\$ 902,334</b>	<b>\$ –</b>	<b>\$ (5,009,158)</b>	<b>\$ 3,587,423</b>
Shares issued on exercise of options	31,250	11,563	–	–	–	11,563
Shares issued on exercise of warrants	9,600	5,760	–	–	–	5,760
Shares issued for exploration properties	1,000,000	650,000	–	–	–	650,000
Shares issued for financial asset	1,169,118	330,583	–	–	–	330,583
Units issued for cash	1,227,353	638,224	–	–	–	638,224
Units issued for services	218,000	109,000	–	–	–	109,000
Share issuance costs	–	(111,260)	26,518	–	–	(84,742)
Share-based compensation	–	–	621,924	–	–	621,924
Loss for the period	–	–	–	–	(1,474,824)	(1,474,824)
<b>Balance at May 31, 2023</b>	<b>39,925,971</b>	<b>\$ 9,328,117</b>	<b>\$ 1,550,776</b>	<b>\$ –</b>	<b>\$ (6,483,982)</b>	<b>\$ 4,394,911</b>

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

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

	Nine months ended May 31,	
	2023	2022
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Net loss	\$ (1,474,824)	\$ (1,381,843)
Items not involving cash:		
Interest expense	22,488	–
Share-based compensation	621,924	132,236
Shares issued for service	109,000	–
Loss from sale of asset	–	423,970
Unrealized gain on financial assets	(308,015)	–
Realized loss on financial assets	420,026	–
Unrealized gain on warrants payable	(431,908)	–
Changes in non-cash working capital items:		
Receivables	105,280	(16,038)
Due to related parties	(223,675)	55,615
Due from related party	–	55,000
Prepaid expenses	178,251	(114,862)
Accounts payable and accrued liabilities	45,238	(16,387)
Net cash used in operating activities	(936,215)	(862,309)
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	553,482	1,321,919
Proceeds from options exercised	11,563	65,125
Proceeds from warrants exercised	5,760	44,958
Receipts from settlement of financial assets	947,085	–
Net cash provided by financing activities	1,517,890	1,432,002
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Exploration and evaluation asset expenditures	(630,179)	(593,287)
Net cash used in investing activities	(630,179)	(593,287)
Exchange differences	–	19,897
Change in cash	(48,504)	(3,697)
Cash, beginning	86,439	149,860
Cash, ending	\$ 37,935	\$ 146,163
<b>NON-CASH TRANSACTIONS</b>		
Exploration and evaluation assets included in accounts payable	\$ 38,145	\$ 100,630
Exploration and evaluation assets included in due to related parties	\$ 230,359	\$ 30,604
Shares issued for exploration and evaluation assets	\$ 650,000	\$ 1,365,000

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

**TOCVAN VENTURES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MAY 31, 2023 AND 2022**

*(Expressed in Canadian Dollars)*

*(Unaudited)*

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Tocvan Ventures Corp. (the “Company”) was incorporated on May 23, 2018, under the Alberta Business Corporations Act. On February 28, 2019, the Company’s shares started trading on the Canadian Securities Exchange (the “CSE”) under the ticker 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 May 31, 2023, 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 May 31, 2023, the Company had accumulated deficit of \$6,483,982 (2022 – \$5,009,158) and is expected to incur further losses, and will require additional equity financing to continue developing its business and to meet its obligations. While the Company has been successful at raising additional equity and debt 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 condensed interim 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 July 28, 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 audited 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

**TOCVAN VENTURES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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*(Expressed in Canadian Dollars)*

*(Unaudited)*

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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 audited 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).



**TOCVAN VENTURES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MAY 31, 2023 AND 2022**

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*(Unaudited)*

**4. EXPLORATION AND EVALUATION ASSETS**

**Title to exploration and evaluation assets**

Title to exploration and evaluation (“E&E”) assets 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 assets 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.

<b>Period ended May 31, 2023</b>	<b>Rogers Creek</b>	<b>Pilar</b>	<b>El Picacho</b>	<b>Total</b>
<b>Acquisition costs</b>				
Balance, August 31, 2022	\$ –	\$ 1,915,000	\$ 135,687	\$ 2,050,687
Cash	–	76,552	41,850	118,402
Shares issued	–	650,000	–	650,000
Balance, May 31, 2023	–	2,641,552	177,537	2,819,089
<b>Deferred exploration expenditures</b>				
Balance, August 31, 2022	–	2,116,564	153,177	2,269,741
Geologist fees and assays	–	456,409	269,264	725,673
Other exploration expenses	–	2,867	35,198	38,065
Balance, May 31, 2023	–	2,575,840	457,639	3,033,479
<b>Total E&amp;E assets, May 31, 2023</b>	<b>\$ –</b>	<b>\$ 5,217,392</b>	<b>\$ 635,176</b>	<b>\$ 5,852,568</b>

<b>Year ended August 31, 2022</b>	<b>Rogers Creek</b>	<b>Pilar</b>	<b>El Picacho</b>	<b>Total</b>
<b>Acquisition costs</b>				
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
<b>Deferred exploration expenditures</b>				
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
<b>Total E&amp;E assets, August 31, 2022</b>	<b>\$ –</b>	<b>\$ 4,031,564</b>	<b>\$ 288,864</b>	<b>\$ 4,320,428</b>

**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:

**TOCVAN VENTURES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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*(Expressed in Canadian Dollars)*

*(Unaudited)*

	<b>Cash payment</b>	<b>Exploration work</b>	<b>Shares</b>
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	–
<b>TOTAL</b>	<b>\$425,000</b>	<b>\$2,000,000</b>	<b>5,000,000</b>

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 (the “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 (US\$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 property consists of 12 mining concessions.

To acquire 100% interest in the El Picacho Project, the Company is required to pay Suarez Brothers US\$1,985,600 and an additional payment of US\$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 US\$1,000,000. Upon full execution of the Option Agreement and completion of all cash payments, an Annual Advance Minimum Royalty (“AAMR”) of US\$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**

*June 28, 2022, Equity Swap Agreement*

On June 28, 2022, the Company entered into a financing transaction (the “June Sorbie 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 the Benchmark (Notes 10 and 11).

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 can be paid in common shares. At May 31, 2023, a total of \$21,010 accrued interest payable has been recorded. 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.

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:

**TOCVAN VENTURES CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MAY 31, 2023 AND 2022**

(Expressed in Canadian Dollars)

(Unaudited)

As at	June 28, 2022	August 31, 2022	May 31, 2023
Benchmark price	\$1.10	\$1.10	\$1.10
Total number of remaining Settlements <sup>(1)</sup>	24	22	13
Share price on the valuation date	\$0.82	\$0.56	\$0.56
Volatility	90%	85%	76.50%
Risk-free rate	3.16%	3.66%	3.78%
<b>Fair Value of Expected Cash Flows</b>	<b>\$3,828,756</b>	<b>\$2,252,532</b>	<b>\$1,332,824</b>

<sup>(1)</sup> 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 May 31, 2023, the Monthly settlements were valued based on 182,806 shares, with the final Monthly Settlement valued based on 182,804 shares.

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 and IAS 32*. 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	May 31, 2023
Sorbie Notes <sup>(1)</sup>	\$ 2,810,124	\$ 1,924,034	\$ 1,945,044
Warrants to acquire up to 1,713,490 Shares at \$1.30 per Share	261,387	313,343	225,598
Warrants to acquire up to 1,713,490 Shares at \$1.40 per Share	253,729	297,069	209,407
Warrants to acquire up to 3,200,000 Shares at \$1.20 per Share	503,516	618,635	455,227
3,200,000 Shares issued as part of the Sorbie Units	–	–	–
<b>Total</b>	<b>\$ 3,828,756</b>	<b>\$ 3,153,081</b>	<b>\$ 2,835,276</b>

<sup>(1)</sup> As at May 31, 2023, the Company recorded \$21,010 in accrued interest payable 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 May 31, 2023, being \$0.56 (August 31, 2022 - \$0.56). At May 31, 2023, the Company recognized \$Nil on revaluation of the Sorbie Notes to their fair market value (May 31, 2022 - \$Nil).

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

	June 28, 2022	August 31, 2022	May 31, 2023
Share price on the valuation date	\$0.82	\$0.56	\$0.56
Exercise price	\$1.20 - \$1.40	\$1.20 - \$1.40	\$1.20 - \$1.40
Years to exercise	3.00	2.83	2.08
Risk-free rate	3.20%	3.60%	4.22%
Volatility	97.50%	81.50%	79.70%

At May 31, 2023, the Company recognized gain of \$338,815 as unrealized gain on revaluation of the Sorbie warrants to their fair market value (May 31, 2022 - \$Nil).

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As at May 31, 2023, the Company received a total of \$1,291,721 representing ten Monthly Settlements (of which \$947,085 was received during the nine-month period ended May 31, 2023), the 11<sup>th</sup> Monthly Settlement of \$109,392 was received subsequent to May 31, 2023. 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 gain or loss for the period. For the period ended May 31, 2023, the Company recorded realized loss on settlement of \$410,986 (May 31, 2022 – \$Nil).

At May 31, 2023 the fair value of the future Monthly Settlements was determined to be \$1,332,824. 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 gain or loss for the period. As at May 31, 2023, the Company recognized \$433,043 as unrealized gain on the financial asset (May 31, 2022 – \$Nil).

*April 5, 2023, Equity Swap Agreement*

On April 5, 2023, Tocvan entered into a financing transaction (the "April Sorbie Transaction") with Sorbie whereby the Company agreed to issue 1,169,118 units (the "April Sorbie Units") in exchange for 12 monthly cash payments (the "April Sorbie Settlements") that were measured against a benchmark price of \$0.725 per share (the "April Sorbie Benchmark") with a set number of shares totaling \$600,000 at April Sorbie Benchmark (Note 10).

Each April Sorbie Unit consists of one common share and one half of one share purchase warrant. Each full warrant entitles Sorbie to purchase one additional common share at a price of \$0.68 until April 5, 2026.

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

Based on the terms of the April Sorbie Settlements, the Company calculated the expected future VWAP share price at each April Sorbie 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:

<b>As at</b>	<b>April 5, 2023</b>	<b>May 31, 2023</b>
April Sorbie Benchmark	\$0.725	\$0.725
Total number of remaining April Sorbie Settlements <sup>(1)</sup>	12	11
Share price on the valuation date	\$0.73	\$0.56
Volatility	76.44%	80.53%
Risk-free rate	3.54%	3.78%
<b>Fair Value of Expected Cash Flows</b>	<b>\$601,517</b>	<b>\$426,179</b>

<sup>(1)</sup> *The Fair Value of Expected Cash Flows was valued based on eleven April Sorbie Settlements of 68,965 shares, with the final April Sorbie Settlement valued based on 68,971 shares.*

Based on the above parameters, the Company determined the fair value of the cash flows expected from April Sorbie Transaction at May 31, 2023, to be \$426,179 (August 31, 2022 – \$Nil).

To determine the allocation of the fair value of the April Sorbie Settlements, the Company analyzed April Sorbie Units under guidance available under IFRS 9 *Financial Instruments* and IAS 32. The Company determined that April Sorbie Warrants were liability, therefore the fair values of future Monthly Settlements were allocated first to the April Sorbie Warrants with the remaining value allocated to the shares issued as part of the April Sorbie Units.

The following table illustrates the initial allocation of future April Sorbie Settlements at April 5, 2023, and their subsequent revaluation:

	<b>April 5, 2023</b>	<b>May 31, 2023</b>
Warrants to acquire up to 617,648 Shares at \$0.68 per Share	\$ 270,934	\$ 177,841
Equity	330,584	330,584
<b>Total</b>	<b>\$ 601,517</b>	<b>\$ 508,425</b>

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

	<b>April 5, 2023</b>	<b>May 31, 2023</b>
Share price on the valuation date	\$0.73	\$0.56
Exercise price	\$0.68	\$0.68
Years to exercise	3.00	2.85
Risk-free rate	3.32%	3.84%
Volatility	89.91%	86.42%

At May 31, 2023, the Company recognized gain of \$93,093 as unrealized gain on revaluation of the April Sorbie Warrants to their fair market value (May 31, 2022 – \$Nil).

As at May 31, 2023, the Company recorded \$41,269 as receivable representing the first April Sorbie Settlement, which was received subsequent to May 31, 2023. The difference between April Sorbie Settlement’s fair value as at the initial recognition on April 5, 2023, and the actual cash received is recorded through profit and loss as realized income or loss for the period. For the period ended May 31, 2023, the Company recorded realized loss on settlement of \$9,040 (May 31, 2022 – \$Nil).

At May 31, 2023 the fair value of the future April Sorbie Settlements was determined to be \$426,179. The difference between the initial valuation of the April Sorbie Settlements and their value as at the reporting date, is recorded in the profit and loss statement as unrealized gain or loss for the period. As at May 31, 2023, the Company recognized \$125,028 as unrealized loss on the financial asset (May 31, 2022 – \$Nil).

The following table summarizes the details of the Company’s financial assets from Sorbie Equity Swap Agreements dated June 28, 2022 and April 5, 2023, measured through profit and loss, as follows:

	<b>May 31, 2023</b>	<b>August 31, 2022</b>
<b>Financial assets at fair value through profit and loss</b>		
Balance at the beginning of the period	\$ 2,252,532	\$ –
Addition of financial assets (initial recognition)	601,517	3,828,756
Cash received during the period	(947,085)	(344,636)
Change in cash receivable subsequent to the period-end	(35,950)	(114,711)
Realized loss on the Monthly Settlements and April Sorbie Settlements	(420,026)	(63,679)
Unrealized loss on revaluation of the financial assets to fair value	308,015	(1,053,198)
<b>Total</b>	<b>\$ 1,759,003</b>	<b>\$ 2,252,532</b>

The Company recorded the future value of June Sorbie Settlements and April Sorbie Settlements that are due within 12 months from the date of these condensed interim consolidated financial statement as current assets with the remaining June Sorbie Settlements and April Sorbie Settlements included as part of non-current assets as follows:

	<b>May 31, 2023</b>	<b>August 31, 2022</b>
<b>Financial assets at fair value through profit and loss</b>		
Current	\$ 1,654,738	\$ 1,229,026
Non-current	104,265	1,023,506
<b>Total</b>	<b>\$ 1,759,003</b>	<b>\$ 2,252,532</b>

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**6. RECEIVABLES**

	May 31, 2023	August 31, 2022
Sorbie payments receivable	\$ 150,661	\$ 109,434
GST receivable	8,907	4,724
Other receivable	–	30
	<b>\$ 159,568</b>	<b>\$ 114,188</b>

**7. PREPAID EXPENSES**

	May 31, 2023	August 31, 2022
Advertising and promotion	\$ 63,022	\$ 246,386
Registration and transfer fees	22,766	15,220
Deferred exploration expenditures	–	2,892
Consulting	–	1,900
Miscellaneous	2,359	–
	<b>\$ 88,147</b>	<b>\$ 266,398</b>

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	May 31, 2023	August 31, 2022
Accounts payable	\$ 163,907	\$ 51,778
Accrued liabilities	45,783	35,716
	<b>\$ 209,690</b>	<b>\$ 87,494</b>

**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”), in exchange for 5,000,000 common shares of Cascade Copper (“Cascade Shares”) with a fair value of \$0.05 per Cascade Share for an aggregate consideration of \$250,000. The fair value of Cascade Shares was recorded as marketable securities. The Company resolved to distribute Cascade Shares to the Company’s shareholders of record as of the close of business on May 31, 2022. Cascade Copper completed its initial public offering on April 24, 2023, and its shares were listed on the CSE on April 25, 2023.

The Company distributed Cascade Shares subsequent to May 31, 2023, at a conversion rate of one Cascade Share for every 7.9852 of the Company’s common shares (Note 15).

At May 31, 2023, Cascade Shares were valued to be \$550,000 at \$0.11 per Cascade Share (August 31, 2022 –\$600,000 at \$0.12 per share).

	May 31, 2023	August 31, 2022
Balance at the beginning of the period	\$ 600,000	\$ –
Dividend payable at declaration	–	250,000
Fair value adjustment	(50,000)	350,000
Dividend payable at end of the period	<b>\$ 550,000</b>	<b>\$ 600,000</b>

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**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 May 31, 2023, the Company had 39,925,971 common shares issued and outstanding (August 31, 2022 – 36,270,650) and no preferred shares issued and outstanding.

**Shares issued during the period ended May 31, 2023**

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.

On December 2, 2022, the Company issued 18,750 Common Shares on exercise of options at an exercise price of \$0.35 for total gross proceeds of \$6,563. The share price at the time the options were exercised was \$0.47.

On January 6, 2023, the Company issued 12,500 Common Shares on exercise of options at an exercise price of \$0.40 for total proceeds of \$5,000. The share price at the time the options were exercised was \$0.55.

On February 16, 2023, the Company closed a non-brokered private placement (the “Offering”) by issuing a total of 1,227,353 units of its common stock at a price of \$0.52 per unit for gross proceeds of \$638,224. The private placement consisted of three tranches, which closed on January 30, 2023, February 9, 2023, and February 16, 2023. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant (the “Warrant”). Each full Warrant entitles the holder to acquire additional Common Share at a price of \$0.62 exercisable within 18 months from the close of the respective tranche. In connection with the Offering, the Company paid \$15,400 in legal fees and \$56,342 in cash commissions. In addition, the Company issued 108,351 finders warrants (“Finders’ Warrants”) entitling the holder to acquire one Common Share at a price of \$0.52 exercisable within 18 months from the close of the respective tranche. The Finders’ Warrants were valued at \$26,518 using Black Scholes option pricing model with the following assumptions:

Share price	\$0.52 - \$0.60
Exercise price	\$0.52
Exercise term	18 months
Risk-free rate	3.9%
Volatility	79.16%-80.10%

On February 22, 2023, the Company issued 218,000 Common Shares at \$0.50 per share for a total value of \$109,000 to a vendor for services rendered in production and broadcasting media in accordance with the agreement dated August 15, 2022.

On April 5, 2023, the Company completed a financing transaction with Sorbie (Note 5). As part of the April Sorbie transaction, the Company issued a total of 1,169,118 April Sorbie Units . Each April Sorbie Unit consisted of one common share and one-half of one common share purchase warrant (“April Sorbie Warrant”). Each full April Sorbie Warrant entitles Sorbie to acquire one additional share at an exercise price of \$0.68 exercisable until April 5, 2026. The Company allocated the fair value of the future April Sorbie Settlements expected to be received from the April Sorbie Transaction between all the components of the April Sorbie Transaction based on the guidance available under IAS 32. Based on this, the Company allocated \$270,934 to the April Sorbie Warrants with \$330,584, allocated to the shares issued as part of the April Sorbie Transaction. In connection with the April Sorbie Transaction, the Company paid cash of \$13,000 in legal fees, which were recorded as share issuance cost.

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**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 five years and vest as determined by the board of directors.

	Nine months ended May 31, 2023		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	\$ 0.54	1,680,000	\$ 0.31
Options exercised	(31,250)	\$ 0.37	(254,750)	\$ 0.37
Options expired	(100,000)	\$ 0.272	–	n/a
Options granted	400,000	\$ 0.72	1,300,000	\$ 0.72
Options outstanding, ending	2,994,000	\$ 0.56	2,725,250	\$ 0.54
Options outstanding, exercisable	2,294,000	\$ 0.52	1,425,250	\$ 0.38

As at May 31, 2023, the following incentive stock options are outstanding:

Number of Stock Options	Exercise Price	Years remaining	Expiry Date	Exercisable at May 31, 2023
325,000	\$ 0.15	1.40	October 24, 2024	325,000
281,250	\$ 0.35	2.31	September 11, 2025	281,250
337,750	\$ 0.40	2.31	September 21, 2025	337,750
100,000	\$ 0.40	2.55	December 15, 2025	100,000
150,000	\$ 0.35	2.64	January 19, 2026	150,000
200,000	\$ 0.80	2.93	May 3, 2026	200,000
1,200,000	\$ 0.72	4.18	August 5, 2027	900,000
400,000	\$ 0.72	4.89	April 20, 2028	–
<b>2,994,000</b>	<b>\$ 0.56</b>	<b>3.37</b>		<b>2,294,000</b>

As at May 31, 2023, the weighted average life of the options was 3.37 years.

**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%.

On April 20, 2023, the Company granted 400,000 stock options to certain consultants and directors of the Company which entitle the holders to purchase one common share for each option held at a price of \$0.72 per share exercisable until April 20, 2028. The options vest quarterly at a rate of 25% per quarter beginning on July 20, 2023. The Company calculated the fair value of the share-based compensation to be \$228,203 using Black-Scholes option pricing model with the following assumptions: share price – \$0.76; exercise price – \$0.72; expected life – 5 years; expected volatility – 97.09%; risk-free interest rate – 3.15%.

During the period ended May 31, 2023, the Company recognized \$621,924 (May 31, 2022 – \$132,236) in share-based compensation.



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**Warrants**

The changes in the number of warrants outstanding during the nine-month period ended May 31, 2023, and for the year ended August 31, 2022, are as follows:

	<b>Nine months ended May 31, 2023</b>		<b>Year ended August 31, 2022</b>	
	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
Warrants outstanding, beginning	9,491,103	\$ 1.22	1,368,375	\$ 0.72
Warrants issued	1,306,587	\$ 0.64	8,240,168	\$ 0.80
Warrants exercised	(9,600)	\$ 0.60	(101,040)	\$ 0.20
Warrants expired	(1,241,335)	\$ 0.74	(16,400)	\$ 0.20
Warrants outstanding, ending	9,546,755	\$ 1.21	9,491,103	\$ 1.22

At May 31, 2023, the following regular warrants are outstanding:

<b>Expiry Date</b>	<b>Number of Regular Warrants</b>	<b>Weighted Average Exercise Price</b>
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
July 30, 2024	220,856	\$ 0.62
August 9, 2024	267,335	\$ 0.62
August 16, 2024	125,486	\$ 0.62
April 5, 2026	584,559	\$ 0.68
	<b>9,351,150</b>	<b>\$ 1.22</b>

As at May 31, 2023, the weighted average life of the regular warrants was 1.13 years.

At May 31, 2023, the following finders' warrants are outstanding:

<b>Expiry Date</b>	<b>Number of Finders' Warrants</b>	<b>Weighted Average Exercise Price</b>
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
July 30, 2024	39,787	\$ 0.52
August 9, 2024	43,467	\$ 0.52
August 16, 2024	25,097	\$ 0.52
	<b>195,605</b>	<b>\$ 0.66</b>

As at May 31, 2023, the weighted average life of the finders' warrants was 0.98 years.

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**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, unless the share price falls below the \$0.82 threshold, in which case the interest will be converted based on the market value of the shares on the maturity date. Each note is convertible into 1,220 Common Shares or approximately 3,426,980 new 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.

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 May 31, 2023, the Company recognized \$Nil on the revaluation of the Sorbie Notes, which resulted from the share price being the same on May 31, 2023 and on August 31, 2022.

As at May 31, 2023, the Company accrued \$21,010 in interest payable on the Sorbie Notes (May 31, 2022 – \$Nil) (Note 15).

**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 May 31, 2023 and 2022 was as follows:

Description	May 31, 2023	May 31, 2022
Share-based compensation	\$ 289,095	\$ 53,650
Exploration expenses	174,974	321,042
Management fees	47,000	50,500
Rent expenses	–	4,500
\$	511,069	\$ 429,692

**Related party balances**

At May 31, 2023, \$54,142 was owed to the Company's CEO and a company controlled by the CEO (August 31, 2022 – \$64,739).

At May 31, 2023, \$Nil was owed to a director and a company controlled by him (August 31, 2022 – \$20,250).

At May 31, 2023, \$225,359 was owed to a company controlled by a director of the Company (August 31, 2022 – \$125,948).

At May 31, 2023, \$Nil was owed to an officer of the Company (August 31, 2022 – \$1,050).

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.

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**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:

	<b>May 31, 2023</b>		<b>August 31, 2022</b>	
Financial assets at amortized cost (i)	\$	197,503	\$	200,627
Financial assets at fair value through profit and loss (ii)	\$	2,309,003	\$	2,852,532
Financial liabilities at amortized cost (iii)	\$	489,191	\$	299,481
Financial liabilities at fair value through profit and loss (iv)	\$	3,563,117	\$	3,753,081

(i) Cash and amounts receivable

(ii) Financial assets associated with Sorbie Transactions (Note 5), and marketable securities (Note 9)

(iii) Due to related parties, accounts payable and accrued liabilities

(iv) Sorbie Notes, warrants payable issued to Sorbie as a result of Sorbie Transactions (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 Transactions, 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

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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 EVENTS**

On June 16, 2023, the Company distributed Cascade Shares as an in specie dividend to its shareholders of record on May 31, 2023 (Note 9). The 5,000,000 Cascade Shares were distributed at a conversion rate of 7.9852 the Company's common shares for every Cascade Share.

On July 18, 2023, the Company issued 59,137 Common Shares to Sorbie. The shares were issued pursuant to the terms of the Sorbie Notes included in the June Sorbie Transaction (Notes 11 and 5), which specified an annual interest on the Sorbie Notes to be accrued and paid annually either in cash or Common Shares of the Company. The 59,137 Common Shares issued to Sorbie represented a conversion of accrued interest as at June 28, 2023, being \$28,090 at \$0.475 per Common Share.