



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

MONGOOSE MINING LTD.

Condensed Interim Consolidated Statements of Financial Position

As at March 31, 2023

Unaudited

Expressed in Canadian Dollars	Notes	March 31, 2023	December 31, 2022
Assets		\$	\$
Current assets			
Cash		65,784	85,207
Amounts receivable		13,458	75,021
Prepaid expenses		11,153	14,140
Total current assets		90,395	174,368
Non-current assets			
Exploration and evaluation assets	4/9	1,449,423	1,433,972
Prepaid expenses	8	5,000	5,000
Total non-current assets		1,454,423	1,438,972
Total assets		1,544,818	1,613,340
Equity and liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5	55,263	99,939
Accounts payable due to related parties	5/9	191,561	172,861
Total current liabilities		246,824	272,800
Equity			
Share capital	6	2,448,563	2,448,563
Warrants	8	130,673	130,673
Share-based payment reserve	7	150,690	136,645
Deficit		(1,431,932)	(1,375,341)
Total equity		1,297,994	1,340,540
Total equity and liabilities		1,544,818	1,613,340

Going concern (Note 1)

Commitments and contingencies (Notes 13)

Approved by the Board of Directors on May 25, 2023 and signed on its behalf by:

/S/ "Matthew Allas"
Director

/S/ "Terence Coughlan"
Director

See accompanying notes to the condensed interim consolidated financial statements

MONGOOSE MINING LTD.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2023 and 2022

Unaudited

Expressed in Canadian Dollars	Three months ended March 31,	
	2023	2022
	\$	\$
General and administrative expenses:		
Management compensation	(9,000)	(19,500)
Share-based compensation	(14,045)	-
Legal fees	(6,773)	(19,385)
Audit fees	(6,500)	-
Corporate administration	(14,977)	(8,631)
Corporate development	-	(29,984)
Shareholder administration	(5,296)	(7,551)
(Loss) before other items	(56,591)	(85,051)
Other items:		
Flow-through share premium liability reversal	-	19,907
Total other items	-	19,907
Total (loss) and comprehensive (loss) for the period	(56,591)	(65,144)
(Loss) per share		
Basic and diluted (loss) per share	(0.002)	(0.002)
Weighted average number of common shares outstanding		
Basic and diluted	32,150,295	32,061,406

See accompanying notes to the condensed interim consolidated financial statements

MONGOOSE MINING LTD.

Condensed Interim Consolidated Statements of Changes in Equity
For the three months ended March 31, 2023 and 2022

Unaudited

Expressed in Canadian Dollars	Number of Shares	Share Capital \$	Warrants \$	Share-based Payment Reserve \$	Deficit \$	Total \$
Balance as at December 31, 2021	31,950,295	2,408,563	130,673	61,050	(1,197,928)	1,402,358
Shares issued to acquire property	200,000	40,000	-	-	-	40,000
Net (loss) for the period	-	-	-	-	(65,144)	(65,144)
Balance as at March 31, 2022	32,150,295	2,448,563	130,673	61,050	(1,263,072)	1,377,214
Share-based compensation	-	-	-	75,595	-	75,595
Net (loss) for the period	-	-	-	-	(112,269)	(112,269)
Balance as at December 31, 2022	32,150,295	2,448,563	130,673	136,645	(1,375,341)	1,340,540
Share-based compensation	-	-	-	14,045	-	14,045
Net (loss) for the period	-	-	-	-	(56,591)	(56,591)
Balance as at March 31, 2023	32,150,295	2,448,563	130,673	150,690	(1,431,932)	1,297,994

See accompanying notes to the condensed interim consolidated financial statements.

MONGOOSE MINING LTD.

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended March 31, 2023 and 2022

Unaudited

Expressed in Canadian Dollars	Notes	Three months ended March 31,	
		2023	2022
		\$	\$
Cash flows (used in) operating activities			
(Loss) for the period		(56,591)	(65,144)
Share-based compensation	7	14,045	-
Flow-through share premium liability reversal		-	(19,907)
		(42,546)	(85,051)
Movements in working capital			
Decrease (increase) in amounts receivable		64,550	(10,428)
(Decrease) in accounts payable and accrued liabilities		(25,976)	(81,840)
Net cash (used in) operating activities		(3,972)	(177,319)
Cash flows (used in) investing activities			
Exploration and evaluation expenditures	4	(39,451)	(61,315)
Exploration grants received	4	24,000	-
Net cash (used in) investing activities		(15,451)	(61,315)
Net (decrease) in cash		(19,423)	(238,634)
Cash at the beginning of the period		85,207	1,128,794
Cash at the end of the period		65,784	890,160

See accompanying notes to the condensed interim consolidated financial statements

MONGOOSE MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023 AND 2022

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Mongoose Mining Ltd. (“Mongoose” or the “Company”) was incorporated on January 16, 2019 under the laws of British Columbia. Effective August 12, 2022, the Company’s corporate jurisdiction was continued to Ontario under the Business Corporations Act (Ontario).

The Company’s registered business address is 55 University Ave., Suite 1805, Toronto, Ontario, M5J 2H7.

The Company’s principal business activities include the acquisition and exploration of mineral exploration and evaluation assets. As of March 31, 2023, the Company had not yet determined whether the Company’s mineral exploration and evaluation assets contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluations assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its existing commitments for exploration and development programs and general and administration costs. Management is periodically seeking additional forms of financing through the issuance of new equity instruments and the exercise of warrants and stock options to continue its operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Without new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has assessed its ability to continue as a going concern and as set out below there is material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

During the three months ended March 31, 2023, the Company had continuing losses and had no source of operating cash flow. Operations have been funded from the issuance of share capital and the receipt of exploration incentive grants. Given its current stage of operations, the Company’s ability to continue as a going concern is contingent on its ability to obtain additional financing. In the event the Company is unable to raise adequate financing or meet its current obligations, the carrying value of the Company’s unproven exploration and evaluation property could be subject to material adjustments. These financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary if the going concern assumption were inappropriate.

MONGOOSE MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023 AND 2022

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements reflect the financial position, statement of loss and comprehensive loss, equity and cash flows related to assets and liabilities of the Company and entities controlled by the Company (its subsidiaries).

These condensed interim consolidated financial statements were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board on a basis consistent with the accounting policies disclosed in the consolidated financial statements of the Company for the year ended December 31, 2022. The accounting policies set out below were consistently applied to all periods presented, unless otherwise noted.

These condensed interim consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2022, prepared in accordance with IFRS.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for those items carried at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except cash flow information.

Certain comparative figures have been reclassified to conform with the presentation adopted for the current period.

3. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

These condensed interim consolidated financial statements were prepared on a basis consistent with the accounting policies disclosed in the consolidated financial statements of the Company for the year ended December 31, 2022, as set out in Note 3 thereof.

Basis of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the condensed interim consolidated statement of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Company. All material intra-Company transactions, balances, income and expenses are eliminated on consolidation.

MONGOOSE MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023 AND 2022

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

The Company's operations are within the mineral exploration sector and relate principally to exploring and assessing IOCG mineral claims of the Cobequid Highlands Project near Londonderry and Mt. Thom, Nova Scotia, as well as the Sheba gold property in New Brunswick.

	Acquisition costs	Exploration costs	Total
	\$	\$	\$
Balance, December 31, 2021	37,779	571,926	609,705
Additions:			
Acquisition of Mt. Thom	40,000	-	40,000
Claims registrations	-	2,170	2,170
Geological	-	59,145	59,145
	40,000	61,315	101,315
Balance, March 31, 2022	77,779	633,241	711,020
Additions:			
Claims registrations	-	7,207	7,207
Drilling	-	435,873	435,873
Geological	-	253,012	253,012
Technical consulting	-	25,411	25,411
Project management	-	34,449	34,449
Grants received	-	(33,000)	(33,000)
	-	722,952	722,952
Balance, December 31, 2022	77,779	1,356,193	1,433,972
Additions:			
Claims registrations	-	3,560	3,560
Geological	-	14,647	14,647
Technical consulting	-	16,500	16,500
Project management	-	4,744	4,744
Grants received	-	(24,000)	(24,000)
	-	15,451	15,451
Balance, March 31, 2023	77,779	1,371,644	1,449,423

The Company holds a 100% interest in all of its mineral claims, subject to the royalties referred to below.

The Cobequid Highlands Project is subject to a 2% perpetual royalty on the return of economic resources (Note 13).

On February 9, 2022, the Company acquired 29 mineral claims in Nova Scotia (the "Mt. Thom Property") from Canadian Goldcamps Corporation in exchange for 200,000 common shares at a deemed value of \$40,000. The acquired property is subject to a 1.5% gross royalty. Refer to Note 6.

The grants received are mineral exploration incentive grants from the provinces of Nova Scotia and New Brunswick.

MONGOOSE MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Canadian dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2023	December 31, 2022
	\$	\$
Trade payables	31,290	73,189
Accrued liabilities	23,973	26,750
Amounts due to related parties (Note 9)	191,561	172,861
	<u>246,824</u>	<u>272,800</u>

6. SHARE CAPITAL

Share capital consists of authorized common shares without par value. The following table summarizes the changes in share capital during the periods:

	Number of Shares	Amount \$
Balance at December 31, 2021	31,950,295	2,408,563
Shares issued for property acquisition	200,000	40,000
<u>Balance at December 31, 2022 and March 31, 2023</u>	<u>32,150,295</u>	<u>2,448,563</u>

On February 9, 2022, the Company issued 200,000 shares at a deemed issue price of \$0.20 per share for total consideration of \$40,000 to acquire the Mt. Thom property in Nova Scotia.

As at March 31, 2023, 13,158,000 common shares of the Company held by related parties of Spark were subject to escrow, 3,289,500 of which will be released every six months, with the next scheduled release date being May 19, 2023.

7. SHARE-BASED COMPENSATION

Pursuant to the Company's share-based compensation program, directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 10 years and are subject to vesting provisions as determined by the Board of Directors.

On June 1, 2022, the Company granted 900,000 options to directors and officers of the Company, exercisable at \$0.30 for a five year period. The options vest quarterly over a period of two years. The grant date fair value of these options was estimated at \$112,532. The following assumptions were used in calculating the fair value of options granted, using the Black-Scholes option pricing model: expected dividend yield of 0%, expected volatility of 124%, risk-free interest rate of 0.93%, share price of \$0.16 and an expected life of 5 years. The Company recognized \$75,595 (2021 – \$Nil) to share-based compensation in the year ended December 31, 2022 and \$14,045 (2022 - \$Nil) in the three months ended March 31, 2023 with respect to these options.

As at March 31, 2023, the Company had the following outstanding stock options.

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date
		\$	
360,000	240,000	0.050	September 30, 2025
325,544	325,544	0.285	November 28, 2024
900,000	450,000	0.300	June 1, 2027
<u>1,585,544</u>	<u>1,015,544</u>		

MONGOOSE MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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The following table summarizes stock option activity for the periods ended March 31, 2023 and December 31, 2022.

	Number of options outstanding	Estimated Grant Date Fair Value	Exercise Price	Expiry Date
		\$	\$	
Balance, December 31, 2021	685,544	61,050	0.162	
Stock options granted	900,000	112,532	0.300	June 1, 2027
Balance, December 31, 2022	1,585,544	173,582	0.240	

As at March 31, 2023, the weighted average remaining life of the options outstanding was 3.25 years.

The following table summarizes share-based payment reserve activity for the periods ended March 31, 2023 and December 31, 2022.

	\$
Balance, December 31, 2021	61,050
Share based compensation	75,595
Balance, December 31, 2022	136,645
Share based compensation	14,045
Balance, March 31, 2023	150,690

Share-based compensation in the table above relates entirely to stock options.

8. WARRANTS

A summary of the warrants issued and outstanding for the periods ended March 31, 2023 and December 31, 2022 is as follows:

	Estimated Number of warrants outstanding	Grant Date Fair Value	Exercise Price	Expiry Date
		\$	\$	
Balance, December 31, 2021, December 31, 2022 and March 31, 2023	2,500,000	130,673	0.250	December 30, 2023

The following assumptions were used in estimating the grant date fair value of the 2,500,000 warrants using the Black-Scholes option pricing model: expected dividend yield of 0%, expected volatility of 119%, risk-free interest rate of 0.23%, share price of \$0.10 and an expected life of 3 years.

The 2,500,000 warrants outstanding at March 31, 2023 had a remaining life of 0.75 years.

9. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The following amounts were due to related parties as at March 31, 2023 and December 31, 2022. They are non-interest bearing, unsecured and have no fixed terms of repayment.

MONGOOSE MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Canadian dollars)

	March 31, 2023	December 31, 2022
	\$	\$
21Alpha	8,740	10,740
2501023 NS Ltd.	82,800	62,100
Cambridge Financial Services	58,771	58,771
Technology Metals Inc.	41,250	41,250
	<u>191,561</u>	<u>172,861</u>

During the three months ended March 31, 2023, 2501023 NS Ltd., a company controlled by an officer and director of the Company, provided the Company \$18,000 of management and geological services (2022 - \$18,000). Of these services, \$9,000 (2022 - \$9,000) were capitalized as exploration and evaluation expenditures.

During the three months ended March 31, 2023, Cambridge Financial Services, a company controlled by a director of the Company, provided the Company \$Nil of management services (2022 - \$10,500).

During the three months ended March 31, 2023, Cambridge Financial Services also provided the Company \$Nil of financial administration services (2022 - \$1,053).

During the three months ended March 31, 2023, John Shurko Inc., an entity affiliated with 21Alpha, a significant shareholder of the Company, provided the Company \$15,000 of geological services (2022 - \$15,000). These services were capitalized as exploration and evaluation expenditures.

10. Compensation of Key Management Personnel

The remuneration of directors and other key management personnel (i) during the periods ended March 31, 2023 and December 31, 2022 was as follows:

	Three months ended March 31, 2023	Three months ended March 31, 2022
Short term compensation (ii)	\$ 18,000	\$ 28,500
Share-based compensation (iii)	14,045	-
	<u>\$ 32,045</u>	<u>\$ 28,500</u>

- In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.
- Short-term compensation includes cash based salaries, bonuses and allowances, employment benefits and directors' fees.
- Share-based compensation includes stock option expense recognized during the period.

In the three months ended March 31, 2023, \$9,000 (2022 - \$9,000) of short-term compensation of key management personnel was capitalized as exploration and evaluation expenditures.

As at March 31, 2023, \$72,000 of short-term compensation remained payable to key management personnel. This amount is unsecured, non-interest bearing and due on demand.

MONGOOSE MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023 AND 2022

(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS

As all financial assets and liabilities are short-term, the carrying values are a reasonable approximation of fair value. The Company is exposed to various risks in relation to financial instruments, which are the same as the risks in the prior year. Following is a summary of the most significant financial risks.

(a) CREDIT RISK

Cash and amounts receivable are exposed to credit risk. The Company maintains its cash invested in demand deposits at a major Canadian bank. The amounts receivable consist of harmonized sales taxes due from the Government of Canada. The Company believes that exposure to credit risk is low.

(b) LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's liquidity and operating results may be adversely affected if the Company is not able to raise additional funds through financings. On March 31, 2023, the Company had cash of \$65,784 to settle current liabilities of \$240,051.

(c) INTEREST RATE RISK

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(d) CURRENCY RISK

The Company has no significant financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and its functional currency is the Canadian Dollar. Cash is held in Canadian dollars and virtually all the Company's costs are denominated in Canadian dollars.

(e) COMMODITY PRICE RISK

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of certain minerals and metals.

12. CAPITAL MANAGEMENT

The capital of the Company consists primarily of its shareholders' equity.

The Company's objective when managing capital is to maintain adequate levels of funding, done primarily through equity financing, to support the exploration, development and exploration of mineral properties and to maintain the necessary corporate and administrative functions to facilitate these activities. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. All equity financings require the approval of the Board of Directors.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

MONGOOSE MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Canadian dollars)

There were no significant changes to the Company's approach to capital management during the periods ended March 31, 2023 and December 31, 2022.

13. COMMITMENTS AND CONTINGENCIES

The Company's mineral and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

As part of the purchase of certain mineral claims (Note 4), the Company is party to a royalty agreement with Technology Metals Inc., John Shurko Inc. and Gravel Developments Inc. to pay a 2% perpetual royalty on the return of economic resources found in relation to the claims. Under the terms of this agreement the 2% royalty will be split 65% to Technology Metals Inc., 17.5% to John Shurko Inc. and 17.5% to Gravel Developments Inc. As the triggering event has not occurred, no provision has been made in the financial statements.