Condensed Interim Consolidated Financial Statements of

Mich Resources Ltd.

Three Months ended February 28, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim consolidated financial statements of Mich Resources Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these condensed interim consolidated financial statements.

Mich Resources Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)
(Unaudited)

	Note	February 28, 2023	November 30, 2022
		$	$
Assets			
Current			
Cash		658,094	816,312
Deposit	7	25,000	25,000
Amounts receivable		7,698	5,258
		690,792	846,570
Deferred transaction costs	7	77,514	-
Total assets		768,306	846,570
Liabilities			
Current			
Amounts payable and accrued liabilities		237,684	178,663
Total liabilities		237,684	178,663
Shareholders' equity			
Share capital	3	2,788,193	2,788,193
Equity reserve	3	356,676	356,676
Deficit		(2,614,247)	(2,476,962)
Total shareholders' equity		530,622	667,907
Total liabilities and shareholders' equity		768,306	846,570

Nature of operations and going concern (Note 1)

Approved by the Board of Directors and authorized for issue on April 28, 2023:

"David Suda" Director

"Mark Brown" Director

Mich Resources Ltd.

Condensed Interim Consolidated Statements of Net Loss

(Expressed in Canadian dollars)

(Unaudited)

	Note	Three months ended, February 28, 2023	February 28, 2022
		$	$
Expenses			
Consulting and management	4	105,000	86,349
Marketing and advertisement		7,500	2,500
Office and administration		6,944	6,238
Professional services		21,319	2,250
Regulatory and filing		4,726	12,991
		(145,489)	(110,328)
Other items			
Foreign exchange gain (loss)		8	(804)
Interest income		8,196	2,140
		8,204	1,336
Net loss		(137,285)	(108,992)
Basic and diluted loss per share		(0.00)	(0.00)
Weighted average number of common shares outstanding		43,076,602	42,976,602

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

Mich Resources Ltd.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

(Unaudited)

	Shares issued	Amount	Equity reserve	Deficit	Total shareholders' equity
		$	$	$	$
Balance, November 30, 2021	42,976,602	2,774,387	362,482	(1,052,524)	2,084,345
Net loss	-	-	-	(108,992)	(108,992)
Balance, February 28, 2022	42,976,602	2,774,387	362,482	(1,161,516)	1,975,353
Balance, November 30, 2022	43,076,602	2,788,193	356,676	(2,476,962)	667,907
Net loss	-	-	-	(137,285)	(137,285)
Balance, February 28, 2023	43,076,602	2,788,193	356,676	(2,614,247)	530,622

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

Mich Resources Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)
(Unaudited)

	Three months ended	
	February 28, 2023	February 28, 2022
	$	$
Cash used in:		
Operating activities		
Net loss	(137,285)	(108,992)
Changes in non-cash working capital items:		
Amounts receivable	(2,440)	(3,033)
Amounts payable and accrued liabilities	12,197	(4,894)
	(127,528)	(116,919)
Investing activities		
Deferred transaction costs	(30,690)	(156,277)
	(30,690)	(156,277)
Change in cash	(158,218)	(273,196)
Cash, beginning	816,312	1,709,288
Cash, ending	658,094	1,436,092
Non-cash investing and financing activities		
Deferred transaction costs included in amounts payable and accrued liabilities	46,824	95,574

No cash was paid for interest or taxes during the three months ended February 28, 2023 and 2022.

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company is incorporated and domiciled in Canada under the Business Corporations Act (British Columbia), and its registered office is 25th Floor, 700 West Georgia Street, Vancouver, BC, V7Y 1C3. The Company's common shares are listed on the Canadian Securities Exchange ("CSE") under the trading symbol "MICH" effective June 19, 2019.

The Company is principally engaged in the acquisition and exploration of mineral properties.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on obtaining additional financing through equity financing or obtaining joint venture or property sale agreements for one or more properties.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Adverse financial market conditions and volatility could increase the uncertainty of the Company's ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Company will continue to search for new or alternate sources of financing. Accordingly, these material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

As at February 28, 2023, the Company had working capital of $453,108 (November 30, 2022: working capital of $667,907). The Company recorded a loss of $137,285 during the period ended February 28, 2023, and had an accumulated deficit of $2,614,247 as at February 28, 2023.

The Company will not pursue the acquisition of the Pecoy copper exploration project and is actively pursuing the Pavey Transaction (see Note 7).

2. BASIS OF PRESENTATION

(a) Statement of compliance

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretation Committee. These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, they should be read in conjunction with the Company's most recent annual financial statements.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PRESENTATION (Continued)

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned inactive subsidiary, being 1328566 B.C. Ltd. (British Columbia).

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

(d) Significant new accounting policies

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. There are no new standards which the Company reasonably expects are applicable to the Company and will significantly impact the Company.

3. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and fully paid

There were no shares issued during the three months ended February 28, 2023.

During the year ended November 30, 2022:

During the year ended November 30, 2022, 100,000 common shares were issued pursuant to the exercise of options for proceeds of $8,000.

(c) Options

The Company has established a rolling Share Option Plan (the “Plan”). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than ten years. The exercise price of each option shall not be less than the market price of the Company’s shares at the date of grant. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any three-month period. All other options vest at the discretion of the Board of Directors.

There were no share options granted during the three months ended February 28, 2023, and during the year ended November 30, 2022.

(Expressed in Canadian dollars)

3. SHARE CAPITAL (Continued)

(c) Options (Continued)

Following is a summary of options outstanding:

	Options Outstanding	Weighted average exercise price
		$
Balance, November 30, 2022 and February 28, 2023	2,025,000	0.22

The following table summarizes information about the options outstanding and exercisable at February 28, 2023:

Outstanding and exercisable	Exercise price	Expiry date
	$	
500,000	0.08	November 21, 2029
1,475,000	0.27	October 27, 2030
50,000	0.27	March 31, 2031
2,025,000		

4. 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 executive and non-executive members of the Company's Board of Directors and corporate officers.

During the three months ended February 28, 2023, the Company:

- Incurred consulting fees of $75,000 (2022: $50,000) to the Chief Executive Officer of the Company.
- Incurred consulting fees of $Nil (2022: $6,349) to a company of which the Chief Operating Officer of the Company owns.

There are no amounts included in amounts payable and accrued liabilities in the statements of financial position due to related parties.

5. FINANCIAL INSTRUMENTS

Financial Risk Management and Fair Value Measurement

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable (excluding sales tax) and amounts payable and accrued liabilities. Cash, amounts receivable and amounts payable and accrued liabilities are held at carrying value which approximates fair value due to the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company is exposed to credit risk on cash and amounts receivable. The Company reduces its credit risk on cash by maintaining its bank account with a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of its cash.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. At February 28, 2023, the Company had working capital of $451,108 (Note 1).

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign currency and price risk.

a) *Interest Rate Risk*

The Company is nominally exposed to interest rate risk. The Company's cash earns interest at variable rates. The Company's future earned interest is exposed to short-term rate fluctuations. Interest rate exposure is considered to be insignificant.

b) *Foreign Currency Risk*

The Company is not exposed to currency risk as all transactions are denominated in Canadian dollars.

c) *Price Risk*

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

5. FINANCIAL INSTRUMENTS (Continued)

Fair value

IFRS establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

The Company's financial instruments are classified and subsequently measured as follows:

Account	Classification
Cash	Amortized cost
Amounts receivable (excluding sales tax)	Amortized cost
Amounts payable and accrued liabilities	Amortized cost

6. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, business opportunity and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or return capital to its shareholders. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. There was no change in the Company's management of capital policies during the three months ended February 28, 2023.

7. PAVEY TRANSACTION

On January 31, 2023, the Company entered into an Option Agreement (the "Agreement") with Pavey Ark Minerals Inc. ("Pavey") whereby the Company was granted the option to acquire a 100% interest in the Chrome-Puddy Property and the Danby Triangle Property (the "Properties"). The Company had previously paid a non-refundable deposit of $25,000 in connection with this Agreement.

Pursuant to the terms of the Agreement, to earn a 100% interest in the Properties, the Company is required to make the following cash payments and share issuances:

- A cash payment of $200,000, consisting of the $25,000 deposit previously paid, plus an additional payment of $175,000 on execution of the Agreement;
- The issuance of 5,000,000 common shares of the Company on closing of the transaction;
- Cash payments of $150,000 on each of the first, second, third and fourth anniversaries of the closing of the transaction; and
- The issuance of common shares of the Company valued at $250,000 on each of the first, second, third and fourth anniversaries of the closing of the transaction.

The Company is also required to provide work program funding to advance the Properties as follows:

- A minimum of $550,000 prior to the first anniversary of the Agreement;
- A minimum of an additional $700,000 following the first anniversary of the Agreement and prior to the second anniversary of the Agreement; and
- A minimum of a further additional $700,000 following the second anniversary of the Agreement and prior to the third anniversary of the Agreement.

Upon earning a 100% interest in the Properties, the Company will grant to Pavey a 1.5% net smelter royalty.

The completion of the transaction remains subject to certain conditions, including receipt of all necessary approvals, including the approval of the Canadian Securities Exchange, and the completion of a financing of not less than $1,000,000 to close concurrently with the transaction.