

NINE MILE METALS LTD.

Condensed Interim Financial Statements

Nine Months Ended June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM 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 interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim 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 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.

NINE MILE METALS LTD.Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	June 30, 2022 \$	September 30, 2021 \$
	(unaudited)	
ASSETS		
Current assets		
Cash	99,661	947,358
Amounts receivable	41,662	10,530
Prepaid expenses	89,311	24,512
Total current assets	230,634	982,400
Non-current assets		
Exploration and evaluation assets (Note 3)	4,052,900	–
Total assets	4,283,534	982,400
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	45,176	25,322
Total current liabilities	45,176	25,322
Non-current liabilities		
Loan payable (Note 4)	55,921	50,373
Total liabilities	101,097	75,695
Shareholders' equity		
Share capital (Note 6)	12,262,921	8,295,021
Share-based payment reserve (Note 8)	670,320	259,747
Deficit	(8,750,804)	(7,648,063)
Total shareholders' equity	4,182,437	906,705
Total liabilities and shareholders' equity	4,283,534	982,400

Nature of operations and continuance of business (Note 1)

Subsequent event (Note 12)

Approved and authorized for issuance on behalf of the Board of Directors on August 29, 2022:

/s/ "Terry Fields"
Terry Fields, Director

/s/ "Patrick Cruickshank"
Patrick Cruickshank, Director

(The accompanying notes are an integral part of these condensed interim financial statements)

NINE MILE METALS LTD.

Condensed Interim Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended June 30, 2022 \$	Three months ended June 30, 2021 \$	Nine months ended June 30, 2022 \$	Nine months ended June 30, 2021 \$
Expenses				
Consulting fees (Note 5)	62,258	80,406	104,878	473,141
Impairment of mineral property costs	–	5,114,316	–	5,120,931
Management fees (Note 5)	24,750	25,500	75,000	72,000
Mineral exploration costs (Notes 3 and 5)	211,149	29,516	255,937	194,335
Office and miscellaneous (Note 5)	20,568	13,174	59,617	66,655
Professional fees	26,445	11,676	114,341	97,417
Rent (Note 5)	7,500	10,500	21,750	31,500
Share-based compensation (Note 8)	57,117	–	410,573	14,473
Transfer agent and filing fees	8,019	11,894	43,114	38,135
Wages and benefits	3,997	3,990	11,983	10,634
Total expenses	(421,803)	(5,300,972)	(1,097,193)	(6,119,221)
Other income or expense				
Accretion of discount on loan payable (Note 4)	(1,914)	(1,664)	(5,548)	(2,579)
Government assistance (Note 4)	–	–	–	13,949
Loss on settlement of debt	–	–	–	(95,821)
Net loss and comprehensive loss for the period	(423,717)	(5,302,636)	(1,102,741)	(6,203,672)
Loss per share, basic and diluted	(0.01)	(0.24)	(0.03)	(0.32)
Weighted average shares outstanding	43,986,366	21,918,728	34,748,949	19,235,363

(The accompanying notes are an integral part of these condensed interim financial statements)

NINE MILE METALS LTD.

Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital		Share-based payment reserve \$	Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$			
Balance, September 30, 2020	8,598,517	1,449,312	181,867	(1,379,027)	252,152
Units issued for cash	4,557,058	1,805,273	–	–	1,805,273
Share issuance costs	–	(181,261)	64,220	–	(117,041)
Units issued to settle debt	230,555	83,000	–	–	83,000
Shares issued for services	156,600	100,000	–	–	100,000
Shares issued for acquisition of Lynx Gold Mining Corp.	7,372,399	4,423,440	–	–	4,423,440
Shares issued for finder's fee	500,000	300,000	–	–	300,000
Shares issued for exploration and evaluation asset option payment	500,000	300,000	–	–	300,000
Shares issued upon exercise of broker's warrants	3,600	2,505	(813)	–	1,692
Share-based compensation	–	–	14,473	–	14,473
Net loss for the period	–	–	–	(6,203,672)	(6,203,672)
Balance, June 30, 2021	21,918,729	8,282,269	259,747	(7,582,699)	959,317
Balance, September 30, 2021	21,918,729	8,295,021	259,747	(7,648,063)	906,705
Shares issued for acquisition of exploration and evaluation assets	21,575,000	3,854,500	–	–	3,854,500
Shares issued for finder's fee on acquisition of exploration and evaluation assets	630,000	113,400	–	–	113,400
Share-based compensation	–	–	410,573	–	410,573
Net loss for the period	–	–	–	(1,102,741)	(1,102,741)
Balance, June 30, 2022	44,123,729	12,262,921	670,320	(8,750,804)	4,182,437

(The accompanying notes are an integral part of these condensed interim financial statements)

NINE MILE METALS LTD.

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine months ended June 30, 2022 \$	Nine months ended June 30, 2021 \$
Operating activities		
Net loss for the period	(1,102,741)	(6,203,672)
Items not involving cash:		
Impairment of exploration and evaluation assets	–	5,120,931
Accretion of discount on loan payable	5,548	2,579
Loss on settlement of debt	–	95,821
Share-based compensation	410,573	14,473
Shares issued for services	–	78,571
Government assistance	–	(13,949)
Changes in non-cash operating working capital:		
Amounts receivable	(31,132)	(1,719)
Prepaid expenses	(64,799)	(17,447)
Accounts payable and accrued liabilities	19,854	(42,906)
Net cash used in operating activities	(762,697)	(967,318)
Investing activities		
Acquisition of exploration and evaluation assets	(85,000)	(6,615)
Cash acquired upon acquisition of Lynx Gold Mining Corp.	–	17,813
Net cash (used in) provided by investing activities	(85,000)	11,198
Financing activities		
Proceeds from issuance of units, net	–	1,688,232
Proceeds from exercise of broker's warrants	–	1,692
Proceeds from loan	–	60,000
Net cash provided by financing activities	–	1,749,924
Effect of foreign currency translation on cash	–	1,374
Change in cash	(847,697)	795,178
Cash, beginning of period	947,358	258,604
Cash, end of period	99,661	1,053,782
Non-cash investing and financing activities:		
Fair value of broker's warrants issued for share issuance costs	–	64,220
Fair value of shares issued for acquisition of Lynx Gold Mining Corp.	–	4,423,440
Shares issued for finder's fee on acquisition of Lynx Gold Mining Corp.	–	300,000
Shares issued for acquisition of exploration and evaluation assets	3,854,500	–
Shares issued for finder's fee on acquisition of exploration and evaluation assets	113,400	–
Shares issued for exploration and evaluation asset option payment	–	300,000
Shares issued for prepaid services	–	21,429
Units issued to settle debt	–	178,821

(The accompanying notes are an integral part of these condensed interim financial statements)

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2022
(Expressed in Canadian Dollars)
(Unaudited)

1. Nature of Operations and Continuance of Business

Nine Mile Metals Ltd. (the “Company”) was incorporated under the Business Corporations Act in British Columbia on June 8, 2018 as 1167609 B.C. Ltd. On November 19, 2018, the Company changed its name to Stevens Gold Nevada Inc. On April 12, 2021, the Company filed a Certificate of Amalgamation, whereby the Company and its wholly-owned subsidiaries, Lynx Gold Mining Corp., and Lynx Gold Corp. were amalgamated as one company under the name Stevens Gold Nevada Inc. On January 18, 2022, the Company changed its name to Nine Mile Metals Ltd. On June 14, 2022, the Company dissolved its wholly-owned subsidiary, Lynx Gold Exploration Corp. The principal business of the Company is to acquire, explore, and develop mineral properties and ultimately seek earnings by exploiting mineral claims. The Company’s registered office is located at 350 – 1650 West 2nd Avenue, Vancouver, BC.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the nine months ended June 30, 2022, the Company had no revenues and incurred negative cash flow from operations of \$762,697. At June 30, 2022, the Company had an accumulated deficit of \$8,750,804. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company’s ability to continue as a going concern. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, “*Interim Financial Reporting*”. These condensed interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company’s functional currency.

(b) Use of Estimates and Judgments

The preparation of these condensed interim financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2022
(Expressed in Canadian Dollars)
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2. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments (continued)

Significant areas requiring the use of estimates include recoverability of exploration and evaluation assets, fair value of share-based payments, and unrecognized deferred income tax assets. Actual results could differ from those estimates.

Judgments made by management include the factors used to determine the assessment of whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the condensed interim statement of operations in the period when the new information becomes available.

(c) Accounting Standards Issued But Not Yet Effective

Accounting standards or amendments to existing accounting standards that 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 financial statements.

3. Exploration and Evaluation Assets

Acquisition costs:

	Canoe Landing Lake West Project \$	Canoe Landing Lake East Project \$	Nine Mile Brook Project \$	California Lake Project \$	Total \$
Balance, September 30, 2021	–	–	–	–	–
Additions	979,600	36,250	2,990,800	46,250	4,052,900
Balance, June 30, 2022	979,600	36,250	2,990,800	46,250	4,052,900

Mineral exploration costs:

Nine months ended June 30, 2021:

	Black Point Property \$	Millennium Property \$	Total \$
Assays	17,784	12,867	30,651
Geological and geophysics	5,810	103,123	108,933
Staking fees	–	51,797	51,797
Travel	–	2,954	2,954
	23,594	170,741	194,335

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2022
(Expressed in Canadian Dollars)
(Unaudited)

3. Exploration and Evaluation Assets (continued)

Mineral exploration costs (continued):

Nine months ended June 30, 2022:

	Canoe Landing Lake West Project \$	Canoe Landing Lake East Project \$	Nine Mile Brook Project \$	California Lake Project \$	Total \$
Geological and geophysics	15,056	1,721	76,810	2,116	95,703
Drilling	–	–	147,776	–	147,776
Camp supplies	–	–	10,468	–	10,468
Staking fees	–	–	1,990	–	1,990
	15,056	1,721	237,044	2,116	255,937

(a) On November 28, 2021, the Company entered into a mineral property purchase and sale agreement (the “Agreement”) with Fiddlehead Mining Corp. (“Fiddlehead”) to acquire 100% of the rights, title, and interest in the Canoe Landing Lake West Project (the “Canoe Project”) and 50% of the rights, title, and interest in the Nine Mile Brook Project (the “Nine Mile Project”), each located in New Brunswick, Canada. Under the terms of the Agreement, the Company was required to pay \$25,000 in cash (paid) and issue 21,000,000 common shares (issued - Note 6(b)).

In addition, under the terms of the Agreement, the Company also acquired a mineral property option to acquire the remaining 50% of the rights, title, and interest in Nine Mile Project (“Option Agreement”). Under the terms of the Option Agreement, the Company is required to make the following payments:

- \$25,000 upon signing the Agreement (“Option Fee”) (paid);
- \$50,000 upon each anniversary of the Agreement (“Annual Option Fee”); and
- An additional payment of \$3,000,000 less the Option Fee and all Annual Option Fees paid

The Company is also required to incur an aggregate of \$1,000,000 of expenditures on the Nine Mile Project, including at least \$500,000 of expenditures on or before 12 months following the effective date of the Agreement and a minimum of \$150,000 per year of expenditures after the first 12 months.

Fiddlehead shall retain a 3% Net Smelter Return Royalty on the properties.

In connection with the Agreement, the Company also issued 630,000 common shares as a finder’s fee (Note 6(b)). The finder’s fee was considered a transaction-related cost, and the Company recognized the fair value of the 630,000 common shares as part of the acquisition costs of the exploration and evaluation assets.

(b) On March 1, 2022, the Company entered into a property purchase agreement (the “Agreement”) with two individuals (the “Vendors”) to acquire 100% of the rights, title, and interest in 35 claim units around the Nine Mile Brook Project, located in New Brunswick, Canada. Under the terms of the Agreement, the Company is required to pay \$15,000 in cash (paid) and issue 75,000 common shares (issued - Note 6(c)).

The vendors shall retain a 1% Net Smelter Return Royalty on the property, which the Company has the right to purchase for \$1,000,000 at any time prior to commencement of commercial production.

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2022
(Expressed in Canadian Dollars)
(Unaudited)

3. Exploration and Evaluation Assets (continued)

(c) On April 25, 2022, the Company entered into a mineral property option agreement (“Agreement”) with a vendor to acquire 100% of the rights, title, and interest in 12 mineral claims: California Lake (6 claims), Canoe Landing Lake East (4 claims); and Nine Mile Brook area (2 claims) of the Bathurst Mining Camp, located in New Brunswick, Canada. To exercise its option to acquire the mineral claims, the Company must pay \$100,000 and issue 1,500,000 common shares during a period of up to three years as follows:

- \$20,000 and 500,000 common shares on the date of the Agreement (paid and issued);
- \$20,000 and 333,334 common shares on the first anniversary of the date of the Agreement;
- \$30,000 and 333,334 common shares on the second anniversary of the date of the Agreement; and
- \$30,000 and 333,334 common shares on the third anniversary of the date of the Agreement.

The vendor shall retain a 2% Net Smelter Return Royalty (“NSR”) on the property. The Company has the right to purchase half of the NSR or \$1,000,000 at any time

4. Loan Payable

In February 2021, the Company opened a Canada Emergency Business Account (“CEBA”) and received a loan of \$60,000 funded by the Government of Canada. The loan is interest-free and may be repaid any time before December 31, 2023, at which time, if unpaid, the remaining balance will convert to a 2 year term loan at an interest rate of 5% per annum. If the Company repays the loan prior to December 31, 2023, there will be loan forgiveness of the loan of up to \$20,000. Although the forgivable portion of the loan of \$20,000 is not repayable if the Company repays the amount of \$40,000 by December 31, 2023, this amount will be recognized in income when the Company has reasonable assurance that it will comply with the terms of early repayment of this aid. The Company measured the loan at a fair value of \$46,051 resulting in an adjustment of \$13,949 recognized in the condensed interim statement of operations as government assistance. During the nine months ended June 30, 2022, the Company recognized accretion of the loan of \$5,548, increasing the carrying value of the loan payable to \$55,921.

5. Related Party Transactions

- (a) During the nine months ended June 30, 2022, the Company incurred management fees of \$67,500 (2021 – \$63,000) to the Chief Executive Officer (“CEO”) of the Company.
- (b) During the nine months ended June 30, 2022, the Company incurred mineral exploration costs of \$13,000 (2021 – \$Nil) to a company controlled by a director of the Company.
- (c) During the nine months ended June 30, 2022, the Company incurred management fees of \$7,500 (2021 – \$9,000) to the Chief Financial Officer (“CFO”) of the Company.
- (d) During the nine months ended June 30, 2022, the Company incurred mineral exploration costs of \$17,500 (2021 – \$Nil) to companies controlled by a significant shareholder of the Company.
- (e) During the nine months ended June 30, 2022, the Company incurred mineral exploration costs of \$7,618 (2021 - \$Nil) to a significant shareholder of the Company.
- (f) During the nine months ended June 30, 2022, the Company incurred consulting fees of \$58,000 (2021 – \$33,000) to a company controlled by the son of the CFO of the Company.
- (g) During the nine months ended June 30, 2022, the Company incurred rent of \$21,750 (2021 – \$31,500), and office and miscellaneous of \$8,250 (2021 – \$10,500) to a company with common officers and directors.

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2022
(Expressed in Canadian Dollars)
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5. Related Party Transactions (continued)

- (h) During the nine months ended June 30, 2022, the Company incurred mineral exploration costs of \$70,465 (2021 – \$Nil) to a company controlled by a director and significant shareholder of the Company. As at June 30, 2022, the Company owed a company controlled by a director and a significant shareholder of the Company \$38,665 (September 30, 2021 – \$Nil), which is included in accounts payable and accrued liabilities.
- (i) During the nine months ended June 30, 2022, the Company incurred mineral exploration costs of \$2,930 (2021 - \$Nil) to a director of the Company.
- (j) During the nine months ended June 30, 2022, the Company incurred mineral exploration costs of \$6,350 (2021 – \$Nil) to a company controlled by the sons of a director of the Company.

6. Share Capital

Authorized: Unlimited number of common shares without par value.

During the nine months ended June 30, 2022

- (a) On December 20, 2021, the Company completed a 2-for-1 consolidation of its issued and outstanding common shares. All share and per share amounts in these condensed interim financial statements have been retroactively restated for all periods presented.
- (b) On January 21, 2022, the Company issued 21,000,000 common shares with a fair value of \$3,780,000 pursuant to a mineral property purchase and sale agreement to acquire 100% of the Canoe Landing Lake West Project and 50% of the Nine Mile Brook Project (Note 3(a)).

In connection with the agreement, the Company issued 630,000 common shares with a fair value of \$113,400 as finder's fees.
- (c) On March 4, 2022, the Company issued 75,000 common shares with a fair value of \$12,000 pursuant to a property purchase agreement to acquire mineral property claim units around the Nine Mile Brook Project (Note 3(b)).
- (d) On April 25, 2022, the Company issued 500,000 common shares with a fair value of \$62,500 pursuant to a mineral property option agreement to acquire 100% of the rights, title and interest in 12 mineral claims related to the California Lake Project, Canoe Landing Lake East Project and Nine Mile Brook Project (Note 3(c)).

7. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, September 30, 2021, and June 30, 2022	5,070,879	0.51

As at June 30, 2022, the following share purchase warrants were outstanding:

Exercise price \$	Expiry date	Warrants outstanding	Weighted average remaining contracted life (years)
0.47	November 12, 2022	2,859,607	0.4
0.56	February 25, 2023	2,211,272	0.7

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2022
(Expressed in Canadian Dollars)
(Unaudited)

8. Stock Options

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, September 30, 2021	800,000	0.50
Granted	3,500,000	0.20
Cancelled	(150,000)	0.50
Outstanding, June 30, 2022	4,150,000	0.25
Exercisable, June 30, 2022	3,500,000	0.24

Additional information regarding stock options outstanding and exercisable as at June 30, 2022, is as follows:

Number of options outstanding	Number of options exercisable	Weighted average remaining contracted life (years)	Weighted average exercise price \$
650,000	650,000	3.22	0.50
2,600,000	2,600,000	4.75	0.18
400,000	–	1.93	0.25
500,000	250,000	1.96	0.25
4,150,000	3,500,000	3.90	0.25

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the nine months ended June 30, 2022, the Company recognized share-based compensation expense of \$410,573 (2021 – \$14,473) in share-based payment reserve. During the nine months ended June 30, 2022, the weighted average fair value of each option granted was \$0.15 (2021 – \$0.10).

The weighted average assumptions used in calculating the fair value of share-based compensation expense, assuming no dividends or expected forfeitures, are as follows:

	2022	2021
Risk-free interest rate	2.59%	0.27%
Dividend yield	0%	0%
Expected volatility	114%	64%
Expected life (years)	4.21	2

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Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2022
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9. Fair Value Measurements and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair values of the Company's financial instruments, which include cash, amounts receivable, accounts payable and accrued liabilities, and loan payable approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. As at June 30, 2022, the Company has a cash balance of US\$294 denominated in U.S. dollars. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2022
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(Unaudited)

10. Capital Management

The Company's objectives when managing capital are to raise the necessary equity financing to fund its projects and to manage the equity funds raised which best optimizes its programs and the interests of its equity shareholders at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may raise additional equity funds. The Company is not subject to externally imposed capital requirements.

11. Segmented Information

The Company operates in one industry, the mineral resource industry, with all current exploration activities conducted in Canada.

12. Subsequent Event

On July 29, 2022, the Company completed a non-brokered private placement of 8,858,625 units for total proceeds of \$1,682,153. The 8,858,625 units consist of 876,000 flow-through units ("FT Unit") at a price of \$0.28 per FT Unit and 7,982,625 non-flow-through units ("NFT Unit") at a price of \$0.18 per NFT Unit.

Each FT Unit consists of one flow-through common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, an "FT Warrant"), with each FT Warrant entitling the holder thereof to purchase one common share at a price of \$0.38 per share for a period of 24 months. Each NFT Unit consists of one common share of the Company and one common share purchase warrant (each, an "NFT Warrant"), with each NFT Warrant entitling the holder thereof to purchase one common share at a price of \$0.28 per share for a period of 24 months.