

# **CMP MINING INC.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**NINE MONTHS ENDED FEBRUARY 28, 2023 and 2022**

*(Unaudited – Expressed in Canadian dollars)*

**NOTICE OF NO AUDITOR REVIEW OF 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 financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of CMP Mining Inc. (the "Company") have been prepared by and are the responsibility of management. These condensed interim financial statements as at February 28, 2023 and for the nine months then ended have not been reviewed or audited by the Company's independent auditors.

**CMP Mining Inc.**  
**Condensed Interim Statements of Financial Position**  
(Expressed in Canadian dollars)

As at	Note	February 28, 2023 (unaudited)	May 31, 2022 (audited)
		\$	\$
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash		229,051	580,525
Goods and Services Tax receivable		21,677	7,361
Prepaid expenses and deposits		9,233	-
		259,961	587,886
Exploration and evaluation asset	6	27,700	27,700
<b>TOTAL ASSETS</b>		<b>287,661</b>	<b>615,586</b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	10	139,106	123,511
Liability on flow-through share issuances	7	-	98,299
Demand loan	8	40,000	-
<b>TOTAL LIABILITIES</b>		<b>179,106</b>	<b>221,810</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common shares	7	658,258	658,258
Deficit		(549,703)	(264,482)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>108,555</b>	<b>393,776</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>287,661</b>	<b>615,586</b>

NATURE OF OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the Board on May 1, 2023:

"Rick Trotman" Director

"Terri Anne Welyki" Director

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

**CMP Mining Inc.**  
**Condensed Interim Statements of Comprehensive Loss**  
(Unaudited – Expressed in Canadian dollars)

	Note	Three months ended February 28, 2023	Three months ended February 28, 2022	Nine months ended February 28, 2023	Nine months ended February 28, 2022
		\$	\$	\$	\$
<b>EXPENSES</b>					
Audit fees and tax compliance		12,750	4,825	24,250	14,675
Exploration and evaluation	6	213,157	7,613	230,933	7,613
Legal fees		31,485	10,743	68,009	10,743
Office and general administrative	10	17,919	10,905	28,911	10,905
Regulatory and transfer agent		23,117	280	27,895	280
		298,428	34,366	379,998	44,216
<b>LOSS BEFORE OTHER ITEMS</b>		(298,428)	(34,366)	(379,998)	(44,216)
<b>OTHER ITEMS</b>					
Impairment of investment	5	-	-	-	(80,969)
Interest income		767	78	3,716	386
Part XII.6 tax expense		(3,238)	-	(7,238)	-
Recovery on flow-through premium	7	81,473	78	98,299	78
<b>TOTAL OTHER ITEMS</b>		79,002	156	94,777	(80,505)
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		(219,426)	(34,210)	(285,221)	(124,721)
<b>Loss per share, basic and diluted</b>		(0.01)	(0.00)	(0.02)	(0.02)
<b>Weighted average number of common shares outstanding – basic and diluted</b>		14,788,000	12,215,400	14,788,000	6,242,320

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**CMP Mining Inc.**  
**Condensed Interim Statements of Changes in Equity**  
(Unaudited – Expressed in Canadian dollars)

	Note	Common Shares		Deficit	Total
		Number of Shares	Amount		
			\$	\$	\$
Balance, May 31, 2021		4,930,000	171,500	(82,053)	89,447
Shares issued pursuant to private placement	7	5,690,000	284,500		284,500
Issuance of flow-through common shares	7	4,068,000	305,100		305,100
Flow-through share premium	7	-	(101,700)		(101,700)
Share issuance costs – cash		-	(6,142)		(6,142)
Issuance of common shares for acquisition of exploration and evaluation assets	6, 7	100,000	5,000		5,000
Net loss for the period		-	-	(124,721)	(124,721)
<b>Balance, February 28, 2022</b>		<b>14,788,000</b>	<b>658,258</b>	<b>(206,774)</b>	<b>(451,484)</b>
Balance, May 31, 2022		14,788,000	658,258	(264,482)	393,776
Net loss for the period		-	-	(285,221)	(285,221)
<b>Balance, February 28, 2023</b>		<b>14,788,000</b>	<b>658,258</b>	<b>(549,703)</b>	<b>108,555</b>

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

**CMP Mining Inc**  
**Condensed Interim Statements of Cash Flows**  
(Unaudited – Expressed in Canadian dollars)

For the nine months ended	February 28, 2023	February 28, 2022
	\$	\$
<b>Cash provided by (used in)</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(285,221)	(124,721)
<b>Items not affecting cash</b>		
Recovery of flow-through premium	(98,299)	101,700
Accrued interest on loan receivable	-	(386)
Impairment of investment	-	80,969
<b>Net changes in non-cash working capital items</b>		
Goods and Services Tax receivable	(14,315)	(2,013)
Prepaid expenses and deposits	(9,233)	-
Accounts payable and accrued liabilities	15,594	36,376
<b>Net cash provided by (used in) operating activities</b>	<b>(391,474)</b>	<b>91,925</b>
<b>INVESTING ACTIVITY</b>		
Acquisition of exploration and evaluation assets	-	(22,700)
<b>Cash used in investing activity</b>	<b>-</b>	<b>(22,700)</b>
<b>FINANCING ACTIVITIES</b>		
Private placement, net of share issuance costs	-	481,757
Loan payable	40,000	-
<b>Cash provided by financing activities</b>	<b>40,000</b>	<b>481,757</b>
Change in cash	(351,474)	550,982
Cash, beginning of period	580,525	43,628
<b>Cash, end of period</b>	<b>229,051</b>	<b>594,610</b>
<b>Supplemental information</b>		
Cash paid on interest	-	-
Cash paid on taxes	-	-
Cash received from interest	3,716	-
<b>Non-cash investing and financing activities</b>		
Shares issued for exploration and evaluation asset	-	5,000

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

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**CMP Mining Inc.**

Notes to the Condensed Interim Financial Statements  
For the nine months ended February 28, 2023 and 2022  
(Unaudited – Expressed in Canadian dollars)

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**1. NATURE OF OPERATIONS**

CMP Mining Inc., formerly known as Vanadium 23 Capital Corporation (the “Company”), was incorporated on January 30, 2018 as 1151139 BC Ltd. pursuant to the *Business Corporations Act* of British Columbia. The Company’s principal business activities include the acquisition and exploration of mineral property assets. The Company’s common shares are listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “CMP”.

The head office and principal address of the Company is located at Suite 2820 – 200 Granville Street, Vancouver, British Columbia, V6C 1S4. The registered and records office of the Company is located at Suite 1604 – 1166 Alberni Street, Vancouver, British Columbia, V6E 3Z3.

The Company’s condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Management recognizes that the Company will need to obtain additional financial resources in order to meet its planned business objectives. There are no assurances that the Company will be able to obtain additional financial resources and/or achieve positive cash flows or profitability. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These condensed interim 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 these condensed interim financial statements. Such adjustments could be material.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and the Russian Federation regarding the situation in Ukraine, and potential economic global challenges, such as the risk of higher inflation and the energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

**2. SIGNIFICANT ACCOUNTING POLICIES****a) Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s audited financial statements as at May 31, 2022 and for the year then ended, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board.

These condensed interim financial statements were authorized for issue in accordance with a resolution from the Board of Directors on May 1, 2023.

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**CMP Mining Inc.**

Notes to the Condensed Interim Financial Statements  
For the nine months ended February 28, 2023 and 2022  
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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

## b) Basis of presentation

The condensed interim financial statements have been prepared on a historical cost basis, with the exception of financial instruments that are measured at fair value, as explained in the accounting policies set out below. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out below have been applied consistently to all periods presented in these condensed interim financial statements.

## c) Accounting policies

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited financial statements as at May 31, 2022 and for the year then ended.

## d) Accounting standard issued but not yet effective

*IAS 1 Presentation of Financial Statements*

IAS 1 has been amended to clarify classification of liabilities as current or non-current. The amendments are effective for the years beginning on or after January 1, 2023. The amendment is expected to have no impact for the Company.

**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

*Critical accounting estimates*

Significant accounting estimates that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed interim financial statements include, but are not limited to, the following:

Recoverability of the carrying value of the Company's exploration and evaluation asset

Recorded costs of exploration and evaluation asset are not intended to reflect present or future values of the property. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that a change in future conditions could require a material change in the recognized amount.



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**CMP Mining Inc.**

Notes to the Condensed Interim Financial Statements  
For the nine months ended February 28, 2023 and 2022  
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**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)***Critical judgments in applying accounting policies*

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include, but are not limited to, the following:

Going concern

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

**4. LOAN RECEIVABLE**

During the year ended May 31, 2021, the Company loaned FreePoint Technologies Inc. ("FreePoint") \$75,000 (the "Loan") pending closing of the transactions under an amalgamation agreement ("Amalgamation Agreement"). Interest on the Loan was calculated using an interest rate of 5% per annum, compounded monthly and payable on maturity. During the same year, the closing conditions were not satisfied and the Freepoint transaction was terminated. The Loan became payable and, during the year ended May 31, 2022, directors of the Company and FreePoint agreed to settle the Loan by issuing 1,152,299 units of FreePoint (Note 5) valued at \$80,969 representing the principal amount of \$75,000 plus interest of \$5,969.

**5. INVESTMENT**

On July 6, 2021, the Company and FreePoint agreed to settle the Loan (Note 4), being \$80,661 plus \$308 additional accrued interest, to be converted to units, which was equivalent to 1,152,299 units at \$0.07 per unit. Each unit comprised one common share in the capital of FreePoint and one common share purchase warrant. Each warrant will entitle the holder to acquire one share at an exercise price of \$0.07 for a period of 36 months. During the year ended May 31, 2022, the Company recorded an impairment of \$80,969 on the investment.

**6. EXPLORATION AND EVALUATION ASSET AND EXPENSE**

On December 22, 2021, and amended October 17, 2022 and December 19, 2022, the Company entered into an option agreement (the "Agreement") with Cariboo Rose Resources Ltd. ("Cariboo") to acquire a 70% undivided interest in 15 mineral tenures comprising an aggregate 2,659.71 hectares in Merritt, British Columbia, Canada. Pursuant to the Agreement, the Company is required, over a period of five years, to (a) make option payments to Cariboo totalling (i) \$220,000 cash; (ii) 200,000 common shares; and (iii) an additional \$280,000 to be paid either in cash or in common shares, at the election of the Company; and (b) incurring \$2,000,000 in exploration expenditures.

During the year ended May 31, 2022, the Company made a \$20,000 payment and issued 100,000 shares at \$0.05 per share for a value of \$5,000 to Cariboo according to the Agreement. In addition, it incurred \$2,700 for staking claims for the year ended May 31, 2022.

On October 17, 2022, the Agreement was amended to delay the payment schedule by one year and to increase the size of the property. On December 19, 2022, the Agreement was amended to change the \$30,000 payment due December 23, 2023 from a cash payment to a payment of cash or common shares at the election of the Company.

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Notes to the Condensed Interim Financial Statements  
 For the nine months ended February 28, 2023 and 2022  
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**6. EXPLORATION AND EVALUATION ASSET AND EXPENSE (continued)**

The following schedule summarizes the Company's obligations under the amended Agreement:

Due Date	Cash	Common Shares	Cash or Common Shares <sup>(3)</sup>	Exploration Expenditures
	\$	#	\$	\$
December 24, 2021	20,000 <sup>(1)</sup>	100,000 <sup>(2)</sup>	-	-
December 22, 2023	-	100,000	30,000 <sup>(3)</sup>	300,000
December 22, 2024	40,000	-	30,000 <sup>(3)</sup>	500,000
December 22, 2025	50,000	-	70,000 <sup>(3)</sup>	500,000
December 22, 2026	110,000	-	150,000 <sup>(3)</sup>	700,000
<b>Total</b>	<b>220,000</b>	<b>200,000</b>	<b>280,000 <sup>(3)</sup></b>	<b>2,000,000</b>

<sup>(1)</sup> The Company has made the payment

<sup>(2)</sup> The Company has issued the common shares

<sup>(3)</sup> Payable in cash or equivalent market value of common shares, at the election of the Company.

The following table summarizes the exploration and evaluation expenses incurred at the property:

For the nine months ended	February 28, 2023	February 28, 2022
	\$	\$
Drilling	131,851	7,613
Equipment and warehouse rental	10,084	-
Exploration travel and related	2,044	-
Geological and geoscience	66,954	-
Reclamation	20,000	-
<b>Total</b>	<b>230,933</b>	<b>7,613</b>

**7. SHARE CAPITAL***Authorized*

The Company's authorized capital consists of an unlimited number of common shares without par value.

*Issued, outstanding and escrowed*

On December 22, 2021, the Company issued 100,000 common shares regarding the Agreement with Cariboo (Note 6) at a price of \$0.05 per share.

On December 23, 2021, the Company closed its private placement and raised gross proceeds of \$305,100 through the sale of 4,068,000 flow-shares shares at a price of \$0.075 per share. The Company recorded a flow-through premium liability of \$101,700 for the difference between the fair value of its common shares and the issuance price of its flow-through common shares. On the same day, the Company also raised gross proceeds of \$284,500 through the sale of 5,690,000 common shares at \$0.05 per share.

At February 28, 2023 there were 2,604,375 common shares held in escrow.

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**CMP Mining Inc.**

Notes to the Condensed Interim Financial Statements  
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**7. SHARE CAPITAL (continued)**Flow-through premium liability

The following is a continuity of the liability portion of the flow-through share issuances:

	\$
Balance, May 31, 2021	-
Flow-through premium liability additions	101,700
Settlement of flow-through share premium liability pursuant to qualifying expenditures	(3,401)
Balance, May 31, 2022	98,299
Settlement of flow-through share premium liability	(98,299)
Balance, February 28, 2023	-

As at February 28, 2023, the Company has no flow-through commitment.

**8. DEMAND LOAN**

On January 9, 2023, the Company entered into unsecured demand loan agreements with three shareholders for total proceeds of \$40,000. The demand loans bear interest at an annual rate of 5%, to be calculated and paid monthly, and are repayable on demand. The loans have a maturity date that is the earlier of (i) one year from the date of listing of the Company's shares on the CSE; and (ii) January 31, 2024. For the nine months ended February 28, 2023, the Company has accrued interest of \$395 (May 31, 2022 - \$nil).

**9. CAPITAL DISCLOSURE**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of resource properties. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. 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. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash. There has been no change as of February 28, 2023.

**10. RELATED PARTY BALANCES AND TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include those people who have 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 nine months ended February 28, 2023, the Company incurred accounting and tax fees of \$27,238 (2021 - \$nil) recorded in office and general administrative expenses accrued to Fehr & Associates, a corporation that employs the chief financial officer for accounting and tax services.

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**CMP Mining Inc.**

Notes to the Condensed Interim Financial Statements  
For the nine months ended February 28, 2023 and 2022  
(Unaudited – Expressed in Canadian dollars)

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**10. RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

As at February 28, 2023, the Company has included in accounts payable and accrued liabilities \$53,878 (May 31, 2022 - \$20,561) owing to Fehr & Associates. This amount is unsecured, non-interest-bearing and due on demand.

**11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK***Fair value*

The carrying values of cash, accounts payable and accrued liabilities approximate fair values due to the short-term nature of these instruments or market rates of interest.

*Credit risk*

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company limits its exposure to credit risk for cash by placing it with high quality financial institutions.

*Liquidity risk*

The Company manages liquidity risk through the management of its capital structure, as outlined in Note 9. The Company monitors its ability to meet its short-term exploration and administrative expenditure requirements by raising additional funds through share issuances when required.

*Price risk*

The Company is exposed to price risk with respect to commodity prices. The Company's future mining operations will be significantly affected by changes in the market price for precious metals. Precious metals prices fluctuate daily and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, level of interest rates, rate of inflation, investment decisions by large holders of commodities and stability of exchange rates can all cause significant fluctuations in commodity prices.

*Foreign exchange risk*

Foreign exchange risk is the risk that the fair value or future cash flows will fluctuate due to changes in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest risk to the extent posted interest rates fluctuate relative to the contractual interest rate on Company loans.

**12. SEGMENTED INFORMATION**

The Company's reportable operating segments are components of the Company's business where separate financial information is available and is evaluated on a regular basis by the Company's chief executive officer, who is the Company's chief operating decision maker, for the purpose of assessing performance. The Company's operating segments are its exploration and evaluation assets and expenditures, which are incurred in Canada.