

**EVOLUTION GLOBAL FRONTIER VENTURES CORP.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2022 AND 2021**

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW  
OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

The accompanying condensed interim financial statements of Evolution Global Frontier Ventures Corp. as at December 31, 2022, have been prepared by the management of the Company and approved by the Company's Audit Committee.

Under National Instrument 51-102, Part 4, subsection 4.2(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying 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 financial statements in accordance with the standards established by CPA Canada for a review of the condensed interim financial statements by an entity's auditor.

**EVOLUTION GLOBAL FRONTIER VENTURES CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed in Canadian Dollars)

As at,	December 31, 2022	September 30, 2022 (Audited)
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	2,559	2,174
GST receivable	765	561
<b>TOTAL ASSETS</b>	<b>3,324</b>	<b>2,735</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 5 and 7)	15,107	22,278
Deferred revenues (Note 10)	1,000	1,000
Loans payable (Notes 6 and 7)	149,782	135,904
<b>Total Liabilities</b>	<b>165,889</b>	<b>159,182</b>
<b>Shareholders' Equity (deficiency)</b>		
Share capital (Note 8)	332,008	332,008
Contributed surplus (Notes 6 and 8)	23,972	23,972
Deficit	(518,545)	(512,427)
<b>Total shareholders' equity (deficiency)</b>	<b>(162,515)</b>	<b>(156,447)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>	<b>3,324</b>	<b>2,735</b>
<b>Nature and continuance of operations</b> (Note 1)		
<b>Plan of arrangement</b> (Note 9)		
<b>Subsequent events</b> (Note 13)		

Approved and authorized by the Board on March 1, 2023:

<u>"Joel Scodnick"</u>	Director	<u>"Ron Miles"</u>	Director
Joel Scodnick		Ron Miles	

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

**EVOLUTION GLOBAL FRONTIER VENTURES CORP.**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
For the period ended December 31, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

	<b>Three Months Ended December 31, 2022</b>	Three Months Ended December 31, 2021
	\$	\$
<b>EXPENSES</b>		
Consulting fees (Note 7)	-	-
Exploration expenses (Notes 4 and 7)	-	-
Foreign exchange loss	4	(24)
General and office administration	316	54
Interest expense	1,878	3,319
Management fees (Note 7)	-	-
Professional fees (Note 7)	-	(486)
Registration, filing and transfer agent fees	3,920	8,147
<b>Loss for the period before other items</b>	<b>(6,119)</b>	<b>(11,010)</b>
<b>Other Items:</b>		
Gain on settlement of accounts payable	-	-
Gain on spin-out of subsidiaries (Note 9)	-	4,483
<b>Net loss and comprehensive loss for the period</b>	<b>(6,119)</b>	<b>(6,527)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>14,250,000</b>	14,250,000

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

**EVOLUTION GLOBAL FRONTIER VENTURES CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
For the period ended December 31, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

Period ended,	<b>December 31, 2022</b>	December 31, 2021
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	<b>(6,119)</b>	(6,527)
Interest expense on loan	<b>1,878</b>	3,319
Deferred revenues	-	25,000
Changes in non-cash working capital items:		
Prepaid expenses	-	(4,049)
GST receivable	<b>(204)</b>	257
Accounts payable and accrued liabilities	<b>(7,171)</b>	(15,883)
Net cash provided by (used in) operating activities	<b>(11,616)</b>	2,117
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares issued for cash	-	-
Demand loan received	<b>12,000</b>	22,000
Repayment of loan	-	-
Net cash provided by (used in) financing activities	<b>12,000</b>	22,000
<b>Change in cash for the period</b>	<b>384</b>	24,117
<b>Cash, beginning of period</b>	<b>2,174</b>	5,778
<b>Cash, end of period</b>	<b>2,559</b>	29,895
<b>Cash paid during the period for interest</b>	<b>\$ -</b>	\$ -
<b>Cash paid during the period for income taxes</b>	<b>\$ -</b>	\$ -

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

**EVOLUTION GLOBAL FRONTIER VENTURES CORP.**  
CONDENSED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)  
For the periods ended December 31, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

	<b>Share Capital</b>				
	<b>Number</b>	<b>Amount</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total</b>
		\$	\$	\$	\$
<b>Balance at September 30, 2021</b>	14,250,000	333,000	23,972	(465,647)	(108,675)
Loss for the period	-	-	-	(6,527)	(6,527)
<b>Balance at December 31, 2021</b>	14,250,000	333,000	23,972	(472,174)	(115,202)
<b>Balance at September 30, 2022</b>	14,250,000	332,008	23,972	(512,427)	(156,447)
Loss for the period	-	-	-	(6,119)	(6,119)
<b>Balance at December 31, 2022</b>	14,250,000	332,008	23,972	(518,546)	(162,566)

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

**EVOLUTION GLOBAL FRONTIER VENTURES CORP.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - Expressed in Canadian Dollars)  
FOR THE PERIOD ENDED DECEMBER 31, 2022 AND 2021

---

**1. NATURE AND CONTINUANCE OF OPERATIONS**

Evolution Global Frontier Ventures Corp. (the "Company") was incorporated on October 13, 2016 under the Business Corporations Act, (British Columbia) as Ascension Exploration Inc. On June 8, 2020, the Company changed its name to Evolution Global Frontier Ventures Corp. The Company is engaged in the acquisition, exploration and development of mineral resource properties located in Canada.

The Company's head office and records office is located at 810 - 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2. Effective December 11, 2020, the Company shares traded on the Canadian Securities Exchange.

The recovery of the amounts comprising mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These condensed interim financial statements have been prepared by management 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 for the foreseeable future. At December 31, 2022, the Company had not yet achieved profitable operations, had accumulated losses of \$518,545 (September 30, 2022 - \$512,427) since its inception, and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19), which include the implementation of travel bans, self-imposed quarantine periods and social distancing. COVID-19 has caused material disruption to businesses globally resulting in an economic slowdown. These measures could adversely affect and harm the Company by limiting access to our exploration and evaluation assets, which could prevent the Company from meeting its exploration expenditure obligations. The measures and disruption to business globally could potentially impact the ability to procure new exploration and evaluation mineral properties. The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future periods.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance and basis of presentation**

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

**EVOLUTION GLOBAL FRONTIER VENTURES CORP.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - Expressed in Canadian Dollars)  
FOR THE PERIOD ENDED DECEMBER 31, 2022 AND 2021

---

**Statement of compliance and basis of presentation (Cont'd.)**

These condensed interim financial statements should be read in conjunction with the audited financial statements of the Company as at and for the year ended September 30, 2022.

The condensed interim financial statements have been prepared using accounting policies consistent with those used in the Company's 2022 audited financial statements.

The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

**Foreign exchange**

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian Dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian Dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive loss.

**3. SIGNIFICANT ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

The preparation of the condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim financial statements include estimates which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about critical judgments in applying accounting policies and sources of estimation uncertainty that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are the same as those that applied to the Company's 2022 annual financial statements.



#### **4. MINERAL PROPERTIES**

##### **Quesnel Terrane Property**

On December 10, 2021 (the “Effective Date”), the Company entered into a conditional option agreement where the Company can acquire 100% of the registered and beneficial interest in certain mining claims located in the Omineca Mining Division, within the Quesnel Terrane, in the north central interior of the Province of British Columbia.

The terms of the option agreement are:

- a) Total payments of \$800,000\* in combination of cash and shares (or all in cash if requested by the vendor) to the vendor:
  - (i) \$20,000 within 180 days of the Effective Date;
  - (ii) \$50,000 on or before the first anniversary of the Effective Date;
  - (iii) \$110,000 on or before secondary anniversary of Effective Date;
  - (iv) \$220,000 on or before third anniversary of Effective Date; and
  - (v) \$400,000 on or before fourth anniversary of Effective Date.

\*A minimum of 25% of the total payments must be made in cash, and 75% in cash-equivalent common shares of the Company. At the option of the vendor, the minimum 25% payment can be made in common shares, resulting in a total of 100% payments made in common shares of the Company.

- b) Incurring the exploration expenditures equal to the cost of the phase 1 work program recommended in a 43-101 technical report.
- c) The Company has extended the dates of the payment schedule above with the Vendor to begin on September 30, 2023 and all subsequent payments to be begin immediately afterwards on the anniversary of the Effective Date.

The Company will pay a 2% NSR to the vendor after the Company has been in commercial production for at least 30 consecutive days.

##### **Raven Quarry Property**

On May 16, 2022 (the “Effective Date”), the Company entered into a Letter of Intent (“LOI”) agreement where the Company can acquire 100% of the registered and beneficial interest in certain mining claims named the Raven Quarry Property, located in Harrison, British Columbia.

The terms of the LOI agreement include:

- (i) Issuance of One Million shares (1,000,000) shares of the company to be held in trust for the completion of the transaction (this has not been issued as of the dated this financial statement);
- (ii) Review of a third party valuation of the property;
- (iii) Completion of a Definitive Agreement with final agreed terms for the acquisition of the property.

The Company has terminated the LOI as of February 27, 2023.

##### **Cobriza Mine Assets Bid**

On May 16, 2022 (the “Effective Date”), the Company entered into a conditional Letter of Intent (“LOI”) agreement where the Company would participate in a bid to acquire 100% of the registered and beneficial interest in certain mining claims named the Cobriza Mine, located in San Pedro de Coris District, 72 kilometres (45 mi) north of Churcampa district in the province of Churcampa, in the country of Peru.

The Company has terminated its participation in the conditional LOI as of February 27, 2023.

**EVOLUTION GLOBAL FRONTIER VENTURES CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE PERIOD ENDED DECEMBER 31, 2022 AND 2021**

**5. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES**

The Company's accounts payable and accrued liabilities are as follows:

	<b>December 31, 2022</b>	September 30, 2022
	\$	\$
Trade payables (Note 7)	<b>6,107</b>	8,528
Accruals (Note 7)	<b>9,000</b>	13,750
<b>Total</b>	<b>15,107</b>	22,278

During the period ended December 31, 2022, the Company's previously recorded the accrued liability as accounts payables to the directors, officers and shareholders who returned \$4,750 book value of shares to treasury as a condition of listing.. (Note 7).

**6. LOANS PAYABLE**

	\$
<b>Balance, September 30, 2020</b>	97,012
Additions	5,000
Repayments	(25,475)
Accretion and interest	12,570
<b>Balance, September 30, 2021</b>	89,107
Additions	38,000
Accretion and interest	8,797
<b>Balance, September 30, 2022</b>	135,904
Additions	12,000
Interest	1,878
<b>Balance, December 31, 2022</b>	149,782

On June 30, 2020, the Company entered a settlement agreement with the Company's former corporate secretary and converted accounts payable of \$100,000 into a \$100,000 Loan (Note 5). The Loan bears simple interest of 10% and has an 18-month term. No interest payments are due until the term of the loan. The Loan was accounted for at amortized cost using the effective interest rate method with the effective interest rate of 15% per annum. The Loan was recorded at amortised cost of \$93,478, with a contributed surplus of \$6,522. During the period ended December 31, 2022, the Company recorded interest of \$1,878 (Year ended September 30, 2022 accretion and interest - \$5,061) and made repayments of \$Nil (Year ended September 30, 2022 - \$Nil on the loan payable. As at December 31, 2022 the loan has matured and is payable on demand, the balance of the loan is \$94,783 (September 30, 2022 - \$92,905).

On September 1, 2021, the Company entered into a term loan agreement with the Company's former corporate secretary for \$5,000. The loan is payable on demand with no interest and no terms of repayment. As at December 31, 2021 and December 31, 2022, the entire amount of \$5,000 is outstanding.

On November 29, 2021, the Company entered into a term loan agreement with the Company's former corporate secretary for \$2,000. The loan is payable on demand with no interest and no terms of repayment. As at December 31, 2022, the entire amount of \$2,000 is outstanding.

On January 24, 2022, the Company received a loan from the Company's former secretary for \$25,000. The loan is payable on demand with no interest and no terms of repayment. As at December 31, 2022, the entire amount of \$25,000 is outstanding.

**EVOLUTION GLOBAL FRONTIER VENTURES CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE PERIOD ENDED DECEMBER 31, 2022 AND 2021**

---

On February 3, 2022, the Company received a loan from the Company’s former secretary for \$3,000. The loan is payable on demand with no interest and no terms of repayment. As at December 31, 2022, the entire amount of \$3,000 is outstanding.

On February 25, 2022, the Company received a loan from the Company’s former secretary for \$3,500. The loan is payable on demand with no interest and no terms of repayment. As at December 31, 2022, the entire amount of \$3,500 is outstanding.

On April 1, 2022, the Company received a loan from the Company’s former secretary for \$2,500. The loan is payable on demand with no interest and no terms of repayment. As at December 31, 2022, the entire amount of \$2,500 is outstanding.

On August 29, 2022, the Company received a loan from the Company’s former secretary for \$2,000. The loan is payable on demand with no interest and no terms of repayment. As at December 31, 2022, the entire amount of \$2,000 is outstanding.

On November 8, 2020 the Company received amounts as loans from the Company’s former secretary totaling \$12,000. The total loan amount of \$12,000 is payable on demand with no interest and no terms of repayment. As at December 31, 2022, the entire amount of \$12,000 is outstanding.

**7. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties:

As at December 31, 2022, the Company owed \$5,250 (September 30, 2022 - \$1,000) to directors and officers which is included in accounts payable and accrued liabilities (Note 5), the breakdown is as follows:

Period ended,	<b>December 31, 2022</b>	December 31, 2021
	\$	\$
Former Director	<b>2,250</b>	484
CEO	<b>1,000</b>	517
Former Corporate secretary	<b>2,000</b>	362
Total	<b>5,250</b>	1,363

During the year ended September 30, 2020, the Company converted amounts owed to the former corporate secretary into a loan payable which as at December 31, 2022 had a balance of \$94,783 (September 30, 2022 – \$92,905) (Notes 5 and 6).

During the period ended December 31, 2022, the Company entered into a term loan agreement with the Company’s former corporate secretary for \$12,000, the entire amount is outstanding as at December 31, 2022 (Note 6).

During the period ended December 31, 2022, the Company recognized the accrued liabilities owing to former director of the company for \$2,250 and the former corporate secretary for \$2,000 for returning their shares to treasury prior to listing of the company to meet listing requirements.

**EVOLUTION GLOBAL FRONTIER VENTURES CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
**FOR THE PERIOD ENDED DECEMBER 31, 2022 AND 2021**

**7. RELATED PARTY TRANSACTIONS (Cont'd.)**

The following table lists the compensation costs paid directly or to companies controlled by key management personnel for the period ended December 31, 2022 and 2021:

Period ended,	December 31, 2022 \$	December 31, 2021 \$
Management fees paid/accrued to the Chief Executive Officer	-	-
Consulting fees paid/accrued to the Chief Financial Officer	-	-
Total	-	-

In an effort to conserve cash there were no management fees paid during the period. All related party transactions are in the normal course of operations and have been measured at the agreed to amount, which is the amount of consideration established and agreed to by the related parties.

**8. SHARE CAPITAL AND CONTRIBUTED SURPLUS**

a) Authorized share capital

As at December 31, 2022, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

b) Issued share capital:

For the period ended December 31, 2022:

The Company did not issue any shares during the period ended December 31, 2022.

For the year ended September 30, 2022:

On October 29, 2020, 950,000 common shares of the Company were returned to treasury for \$4,750. (Note 7)

c) Warrants

The Company has no warrants outstanding as at September 30, 2022 and December 31, 2022.

**9 PLAN OF ARRANGEMENT**

The Company has completed all steps for its parts in the plan of arrangement (the “Arrangement”) with its former wholly-owned subsidiaries in the prior year ended September 30, 2022. The company has a \$1,000 amount liable to the CEO for advancing funds to the Company to effectively complete the Company’s portion of the Arrangement. (Note 7)

**10. DEFERRED REVENUES**

As at December 31, 2022, the Company has deferred revenue of \$1,000 (Sept 30, 2022 \$1,000). The Company has an obligation to deliver consulting services in future in respect of the obligation.

**11. SEGMENTED INFORMATION**

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

**EVOLUTION GLOBAL FRONTIER VENTURES CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
FOR THE PERIOD ENDED DECEMBER 31, 2022 AND 2021

**12. FINANCIAL AND CAPITAL RISK MANAGEMENT**

The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business. The fair values of cash, receivable, accounts payable and loans payable approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at September 30, 2022 and December 31, 2022 as follows:

<b>September 30, 2022</b>	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Cash	\$ 2,174	-	-	\$ 2,174
	\$ 2,174	-	-	\$ 2,174
<b>December 31, 2022</b>				
<b>Financial Assets</b>				
Cash	\$ 2,559	-	-	\$ 2,559
	\$ 2,559	-	-	\$ 2,559

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

*Foreign exchange risk*

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible. The foreign exchange risk is therefore manageable and not significant. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign exchange rates.

*Credit risk*

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

*Interest rate risk*

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

*Liquidity risk*

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

**12. FINANCIAL AND CAPITAL RISK MANAGEMENT (Cont'd.)**

*Price risk*

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

*Capital management*

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

**13. SUBSEQUENT EVENTS**

Raven Quarry Property

Subsequent to the period end, the Company terminated the Raven Quarry Property LOI on February 27, 2023.

Cobriza Mine Assets Bid

Subsequent to the period end, the Company terminated its participation in the Cobriza Mine Assets Bid LOI on February 27, 2023.