Element79 Gold Corp.

Condensed Consolidated Interim Financial Statements
For the Three months ended November 30, 2022 and 2021

(Expressed in Canadian dollars)
(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed consolidated interim financial statements of Element79 Gold Corp. (the "Company") are the responsibility of the Company's management. The condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting under International Financial Reporting Standards as issued by the International Accounting Standards Board, and reflect management's best estimates and judgments based on information currently available.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed consolidated interim financial statements prior to their submission to the Board of Directors for approval.

The condensed consolidated interim financial statements as at November 30, 2022, and for the periods ended November 30, 2022 and 2021, have not been reviewed or audited by the Company's independent auditors.

/s/ "Neil Pettigrew"	*/s/"Shane Williams"*
Neil Pettigrew, Director	**Shane Williams, Director**

Element79 Gold Corp.

Condensed Consolidated Interim Statement of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	Notes	As at November 30, 2022	As at August 31, 2022 (audited)
		$	$
ASSETS			
Current assets			
Cash		10,273	5,021
Amounts receivable		81,197	96,633
Prepaid expenses		112,881	19,101
Short-term loans		-	
Total current assets		204,351	120,755
Exploration and evaluation assets	4,15,17	26,771,737	26,091,770
Deferred financing charges	5,12,15	655,821	740,451
Total assets		27,631,909	26,952,976
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	7	1,669,907	1,334,656
Loans payable	6	3,099,580	2,518,082
Provisions – current	8	686,458	654,790
Tax payable		1,156	-
Total current liabilities		5,457,101	4,507,528
Provisions – long-term	8	5,672,970	5,422,580
Total liabilities		11,130,071	9,930,108
Equity			
Share capital	10	21,128,104	19,836,469
Share subscriptions received in advance	5,10	920,000	1,670,000
Contributed surplus	10	1,213,507	908,007
Foreign currency translation reserve		177,392	204,910
Deficit		(6,937,165)	(5,596,518)
		16,501,838	17,022,868
Total equity and liabilities		27,631,909	26,952,976

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 16)
Subsequent event (Note 18)

APPROVED BY THE BOARD:

"Neil Pettigrew"	*"Shane Williams"*
Neil Pettigrew	Shane Williams

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

Element79 Gold Corp.

Condensed Consolidated Interim Statement of Loss and Comprehensive Loss
For the Three Months ended November 30, 2022 and 2021
(Expressed in Canadian dollars)
(Unaudited)

	Notes	Three Months ended November 30, 2022	Three Months ended November 30, 2021
		$	$
Expenses			
Consulting fees		1,071,731	17,598
Exploration cost		41,128	-
Financing Fee		258,578	251,107
Insurance		-	11,660
Investor Relations and marketing		115,474	95,610
Listing and filing fees		8,567	6,409
Management and director fees	9	110,000	50,775
Office expenses		129,402	29,105
Professional fees		58,997	104,779
Administrative Expenses		10,306	-
Share-based compensation	9,10	-	253,223
Net loss before other items		(1,804,183)	(820,266)
Other Items			
Gain on settlement of debt	10,12	651,316	-
Financial expenses		(36,246)	-
Accretion expense	8	(186,885)	-
Other income		35,351	-
Net loss for the period		(1,340,647)	(820,266)
Other comprehensive loss			
Foreign currency translation		(27,518)	-
Comprehensive loss for the period		(1,368,165)	(820,266)
Loss per share			
Basic and diluted	11	(0.01)	(0.02)
Weighted average number of common shares issued and outstanding		79,390,507	43,851,321

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

Element79 Gold Corp.

Condensed Consolidated Interim Statement of Cash Flows
For the Three Months ended November 30, 2022
(Expressed in Canadian dollars)
(Unaudited)

	Notes	Three Months ended November 30, 2022	Three Months ended November 30, 2021
		$	$
OPERATING ACTIVITIES			
Loss for the period		(1,340,647)	(820,266)
Non-cash items			
Financing fees		258,578	251,107
Accretion	8	186,885	-
Gain on settlement of debt	10,12	(651,316)	-
Share-based compensation	10	-	253,223
Changes in operating working capital:			
Decrease (increase) in prepaid expenses		(93,780)	197,803
Decrease (increase) in amounts receivable		15,436	-
Increase (decrease) in current liabilities		1,508,307	(290,900)
Cash used in operating activities		(116,537)	(409,033)
INVESTING ACTIVITIES			
Exploration and evaluation properties expenditures		(612,312)	(1,015,796)
Cash used in investing activities		(612,312)	(1,015,796)
FINANCING ACTIVITIES			
Share subscriptions received in advance	5	190,000	3,500,000
Promissory note	6	544,101	-
Cash from financing activities		734,101	3,500,000
Increase in cash		5,252	2,075,171
Cash, beginning of the period		5,021	302,234
Cash, end of the period		10,273	2,377,405

Supplemental cash flow information (Note 13)

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

Element79 Gold Corp.

Condensed Consolidated Interim Statement of Changes in Equity
For the Three Months ended November 30, 2022
(Expressed in Canadian dollars)
(Unaudited)

	Number of common shares	Common shares	Share subscriptions received in advance	Contributed surplus	Foreign currency translation reserve	Deficit	Total
		$	$	$	$	$	$
Balances, August 31, 2021	43,851,322	884,356	-	356,987	-	(639,458)	**601,885**
Share subscriptions received in advance	-	-	3,500,000	-	-	-	**3,500,000**
Share-based compensation	-	-	-	253,223	-	-	**253,223**
Net loss for the period	-	-	-	-	-	(820,266)	**(820,266)**
Balances, November 30, 2021	**43,851,322**	**884,356**	**3,500,000**	**610,210**	**-**	**(1,459,724)**	**3,534,842**
Balances, August 31, 2022	**73,452,860**	**19,836,469**	**1,670,000**	**908,007**	**204,910**	**(5,596,518)**	**17,022,868**
Shares issued for subscription received in advance (Notes 10,12)	4,700,000	634,500	(940,000)	305,500	-	-	**-**
Debt Settlement (Notes 10,12)	4,967,035	657,135	-	-	-	-	**657,135**
Share subscription (Notes 5,10,12)	-	-	190,000	-	-	-	**190,000**
Foreign currency translation reserve	-	-	-	-	(27,518)	-	**(27,518)**
Net loss for the period	-	-	-	-	-	(1,340,647)	**(1,340,647)**
Balances, November 30, 2022	**83,119,895**	**21,128,104**	**920,000**	**1,213,507**	**177,392**	**(6,937,165)**	**16,501,838**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Element79 Gold Corp. ("Element79" or the "Company") was incorporated under the Company Act (British Columbia) on February 27, 2020. The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties.

The address of the Company's corporate office and principal place of business is Suite 230, 997 Seymour Street, Vancouver B.C., V6B 3M1.

Going concern

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at November 30, 2022, the Company had cash of $10,273, liabilities of $11,130,071 and incurred accumulated losses of $6,937,165 since inception.

The Company is a mineral exploration company focusing on the acquisition and development of mineral property interests. The Company's continuation as a going concern and the underlying value and recoverability of the carrying amounts for exploration and evaluation assets are entirely dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to raise equity capital or borrowings sufficient to meet current and future obligations and to complete the exploration and development of mineral property interests, and achievement of future profitable production from or proceeds from the disposition of its mineral property interests. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statements of financial position.

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. This is causing significant financial market and social dislocation. This has also resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on the Company's future financial results.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. accrual basis and are based on historical costs, modified where applicable. These condensed consolidated interim financial statements are presented in Canadian dollars, except where otherwise indicated, and all values are rounded to the nearest dollar.

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting standards Board ("IASB These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company. These condensed consolidated interim financial statements do not contain all of the information required for full annual financial statements. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's August 31, 2022, annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its Canadian and Peruvian subsidiaries as follows:

Subsidiary	Ownership Interest	Jurisdiction	Nature of Operations
Calipuy Resources Inc.	100%	BC, Canada	Holding Company
Calipuy Holdings Inc.	100%	BC, Canada	Holding Company
Minas Lucero Del Sur S.A.C.	100%	Peru	Mining and exploration
Compania Minera Calipuy S.A.C.	100%	Peru	Holding Company
Minera Machacala S.A.C	100%	Peru	Mining and exploration
Campania Minera SFJ S.A.C.	100%	Peru	Mining and exploration

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed consolidated interim financial statements.

Significant Accounting Judgements and Estimates

The Company makes estimates about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

2. BASIS OF PREPARATION (continued)

Significant Accounting Judgements and Estimates (continued)

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern.

The critical judgements and estimates applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied in and disclosed in note 4 of the audited consolidated financial statements for the year ended August 31, 2022.

3. RECENT PRONOUNCEMENTS

Application of new and revised Accounting Standards

The Company didn't adopt any new or revised accounting standards since its prior year-end on August 31, 2022.

Future Changes in Accounting Policies not yet Effective as at November 30, 2022

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation properties includes the following amounts as at November 30, 2022 and August 31, 2022:

	Dale Property	Nevada Portfolio	Peruvian Property	Total
		$	$	$
ACQUISITION COSTS				
Balance, August 31, 2021	**17,600**	**-**	**-**	**17,600**
Cash payments	15,000	2,132,663	-	2,147,663
Shares issued (Note 10)	30,000	5,503,392	-	5,533,392
Acquisitions (Note 17)	-	3,102,750	14,887,437	17,990,187
Balance, August 31 and November 30, 2022	**62,600**	**10,738,805**	**14,887,437**	**25,688,842**
EXPLORATION AND EVALUATION COSTS				
Balance, August 31, 2021	72,150	-	-	72,150
Claims maintenance fee	975	1,418	7,425	9,818
Exploration program	95,601	213,538	-	309,139
Field expenses	8,269	2,725	827	11,821
Balance, August 31, 2022	**176,995**	**217,681**	**8,252**	**402,928**
Assaying and Sampling	-	-	92	92
Claims maintenance fee	-	530,562	-	530,562
Lease and royalty payments	-	136,000	-	136,000
Exploration program	6,429	2,944	-	9,373
MLDS AP	-	-	3,940	3,940
Balances, November 30, 2022	**183,424**	**887,187**	**12,284**	**1,082,895**
Total costs, August 31, 2022	**239,595**	**10,956,486**	**14,895,689**	**26,091,770**
Total costs, November 30, 2022	**246,024**	**11,625,992**	**14,899,721**	**26,771,737**

4. EXPLORATION AND EVALUATION ASSETS (continued)

Dale Property

On April 7, 2020, the Company entered into a property option agreement with Jean Marc Gaudreau ("Optionor") to acquire a 100% right, title and interest in and to the Dale property ("Property"), subject only to a NSR Royalty.

The Property is located in Ontario, Canada and is comprised of 90 Mineral Rights, covering an area of approximately 1,735 hectares.

In order to exercise the option, the Company must complete the following requirements:

a) Make aggregate cash payments of $127,000 as follows:

    a. $12,000 within 30 days of the date of the option agreement (paid)
    b. $15,000 on or before December 31, 2021 (paid)
    c. $18,000 on or before December 31, 2022
    d. $21,000 on or before December 31, 2023
    e. $51,000 on or before December 31, 2024

b) Issue a total of 200,001 common shares of the Company at a deemed price of $0.05 per share within 180 days of the option agreement (issued) (Note 8). Shares are subject to a 4-month hold period from the date of the public listing on the Canadian Stock Exchange.

c) Make aggregate share payments totaling $192,000 calculated at the price of the average VWAP of the 10 trading days prior to the issuance date:
    a. $30,000 on or before December 31, 2021 (issued) (Note 10)
    b. $33,000 on or before December 31, 2022
    c. $36,000 on or before December 31, 2023
    d. $93,000 on or before December 31, 2024

d) Execute and deliver to the Optionor on the Closing Date the NSR Royalty granting the Optionor a 0.5% NSR royalty on the Property, subject to the right of the Company to re-purchase 100% of the NSR Royalty for a total consideration of $525,000 at any time.

A pre-existing 1% NSR to the benefit of Keystone Associates Inc. existed on the property prior to this agreement and is additional to the 0.5% NSR required as part of Element79's option to purchase.

In addition to the option agreement, the Company paid a finder's fee of 80,000 common shares valued at $1,600 to a third party (Notes 9 and 10).

4. EXPLORATION AND EVALUATION ASSETS (continued)

Nevada Gold Portfolio

On December 17, 2021, the Company closed a securities exchange agreement (the "Securities Exchange Agreement") with 1316524 B.C. Ltd. ("Goldco"). Under the terms of the Securities Exchange Agreement, the Company has acquired all of the issued and outstanding shares of Goldco in exchange for a $300,000 cash payment and 2,525,000 common shares of the Company (issued) (Notes 10 and 17).

On December 23, 2021, the Company has fully closed on an asset purchase agreement acquiring the flagship Maverick Springs project and 15 additional projects that comprise the Battle Mountain portfolio, located in the gold mining regions of northeastern Nevada. 1316524 B.C. Ltd. (Goldco), a wholly owned subsidiary of Element79 Gold, had previously entered into the asset purchase agreement with Clover Nevada LLC (Clover), a wholly owned subsidiary of Waterton Precious Metals Fund II Cayman LP, and Maverick Springs Mining Company LLC, a wholly owned subsidiary of Clover, to acquire 100 per cent of their rights, titles and interests in and to the Maverick Springs project and the Battle Mountain projects.

Pursuant to the asset purchase agreement, the Company agreed to the following terms and payments:

- $500,000 deposit (advanced by Goldco)
- $1,500,283.97 cash payment (paid)
- Issuance of 5,095,733 common shares to the vendors (issued) (Note 10)
- Issuance of Contingent value right (CVR) to Waterton Nevada Splitter LLC (Splitter LLC), a subsidiary of Waterton.

Pursuant to the CVR, Splitter LLC is entitled to receive the following:

- Cash payment of 2-million US dollars payable on the earlier of the occurrence of commercial production and the date that is 12 months following the closing of the asset purchase agreement (Notes 15 and 17).
- Second payment of $283.97, in cash or common shares of Element79 Gold, on the date that is 18 months following the closing of the asset purchase agreement (prepaid by Element79 Gold concurrently with closing).
- Security interest in Maverick Springs and the Battle Mountain portfolio, to be released upon completion of the payment under the CVR.
- Splitter LLC has also entered into a voting support and lock-up agreement, pursuant to which it agrees to:
    - i. vote all shares of Element79 Gold it holds in accordance with management's recommendations;
    - ii. retain 50 per cent of the common shares of Element79 Gold issued to it pursuant to the asset purchase agreement for at least six months after closing and the remaining 50 per cent for at least 12 months after closing; and
    - iii. grant Element79 Gold a right of first offer in relation to the sale of any common shares of Element79 Gold held by Splitter LLC.

The Maverick Springs project is subject to a total net smelter return royalty (NSR) of 7.4 per cent, including 1.5 per cent payable to Maverix Metals Inc. Element79 Gold expects to renegotiate the various NSRs in order to create an economically viable path forward to the benefit of all parties.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Nevada Gold Portfolio (continued)

The asset purchase agreement as it relates to the Battle Mountain portfolio and all 15 of its projects is made on an as-is, where-is basis, and accordingly does not disclose any net smelter return royalty or other royalties payable to any other party.

Peruvian Properties

On June 28, 2022, the Company acquired all of the issued and outstanding common shares of Calipuy Resources Inc., which, through its subsidiaries, holds a 100-per-cent interest in two past-producing high-grade gold-silver mines: the Lucero mine and the Machacala project.

Pursuant to the agreement, the Company acquired all of the issued and outstanding securities of Calipuy. Calipuy is a private B.C. corporation, which, through its subsidiaries in Peru, holds a 100-per-cent interest in the Lucero property and the Machacala property, subject to certain royalties, encumbrances and other interests, as more particularly described in the agreement.

On closing of the acquisition, the purchase price is $15 million (USD) for the shares of Calipuy to be paid by the issuance on a pro rata basis to the shareholders of Calipuy of:

(i) 19,165,486 common shares of the company at an issue price of $0.465 per share (issued) (Note 10); and

(ii) Performance bonus warrants to acquire an aggregate of 3,833,085 common shares of the company. Each performance bonus warrant is exercisable into one common share of the company at an exercise price of $2 per share for a period of three years from the exercise eligibility date, subject to achievement of the bonus performance target, the policies of the Canadian Securities Exchange and the terms of warrant certificates to be issued to the Calipuy shareholders in respect thereof.

The company may accelerate the expiry of the performance bonus warrants if the common shares of the company have a closing price greater than $3.50 per share for a period of 10 consecutive trading days on the exchange at any time after closing. The holders of the performance bonus warrants will not have the right to exercise the performance bonus warrants until projects carried out on the properties have cumulatively reached a minimum production target of 9,000 tons of ore yielding a minimum of 1,500 ounces gold within a 30-day production period and the company provides notice of achievement of the bonus performance target by news release. All issuances of consideration shares will be paid in Canadian-dollar-denominated shares at the agreed exchange rate of $1.2777 (Canadian) to $1 (USD).

An aggregate of 12,971,503 consideration shares and 2,594,298 performance bonus warrants will be subject to a lock-up agreement, whereby 50 per cent will be released from lock-up six months from closing and the remaining 50 per cent will be released 12 months from closing. The balance of the consideration shares, other than those held by U.S. persons, is not subject to any resale restrictions under applicable securities laws.

On December 21, 2020 (the “MLDS Closing Date”), the Company’s subsidiary Calipuy Resources Inc. (“Calipuy”) completed a share purchase agreement (the “MLDS

4. EXPLORATION AND EVALUATION ASSETS (continued)

Peruvian Properties (continued)

Lucero mine - Minas Lucero Del Sur S.A.C, ("MLDS")

Agreement") with Condor Resources Inc. ("Condor") to acquire all issued and outstanding shares of MLDS (the "MLDS Shares") which owns certain rights, titles and interests in and to the Lucero mine project in the District of Chacas in Peru.

Pursuant to the MLDS Agreement, the Company is obligated to make the following payments (the "MLDS Cash Payment") to Condor:

- On the MLDS Closing Date US$90,000 (paid – $115,704);
- On or before June 21, 2022 US$75,000*;
- On or before December 21, 2022 US$300,000*;
- On or before December 21, 2023 US$500,000*; and
- On or before December 21, 2024 US$1,000,000*.

In addition to the MLDS Cash Payment, the Company will make an additional cash payment of US$1,535,000 (the "MLDS Final Cash Payment") to Condor on or before December 31, 2026 in an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US$3,500,000* unless:

(i) The Company accelerates the MLDS Cash Payment and all such MLDS Cash Payment are made within thirtysix (36) months of the MLDS Closing Date in which case the MLDS Final Cash Payment shall be an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US$3,000,000;

(ii) Subject to (i), the price of gold averages not less than US$2,500 per ounce during the 30 days prior to the payment date of the MLDS Final Cash Payment, in which case the MLDS Final Cash Payment shall be an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US$4,000,000; or

(iii) Subject to (i), the price of gold averages not less than US$3,000 per ounce during the 30 days prior to the payment date of the MLDS Final Cash Payment, in which case the MLDS Final Cash Payment shall be an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US$6,000,000.

____
* collectively the "MLDS Subsequent Cash Payment"

Using a risk-adjusted discount rate of 12%, the Company calculated the fair value of the MLDS Subsequent Cash Payment as $2,783,110 and recorded the provision at the MLDS Closing Date, which will be accreted to the face value during the term of the MLDS Subsequent Cash Payment.

Pursuant to the MLDS Agreement, until the MLDS Subsequent Cash Payment is settled and subsequent to the Company receiving the first $550,000 proceeds from the future financings, Condor has the right but not the obligation to convert all or part of the outstanding MLDS

4. EXPLORATION AND EVALUATION ASSETS (continued)

Peruvian Properties (continued)

Lucero mine - Minas Lucero Del Sur S.A.C, ("MLDS") (continued)

Subsequent Cash Payment into the Company's common shares at a discounted price of 20% of the price offered in the future financing.

In addition, in connection with the acquisition of MLDS, the Company and Condor entered into a share pledge agreement (the "MLDS SP Agreement"). Pursuant to the MLDS SP Agreement, the MLDS Shares are pledged to Condor as collateral for the MLDS

Machacala mine project

On November 15, 2021 (the "Machacala Closing Date"), the Company's subsidiary Calipuy Resources Inc. ("Calipuy") completed a share purchase agreement (the "Machacala Agreement") to acquire all issued and outstanding shares of Machacala (the "Machacala Shares") which owns certain rights, titles and interests in and to the Machacala project in the Department of La Libertad of Peru.

Pursuant to the Machacala Agreement, the Company is obligated to make the following payments (the "Machacala Subsequent Payment"):

- On or before May 15, 2023 $285,000;
- On or before November 15, 2024 $570,000;
- On or before November 15, 2025 $1,425,000; and
- On or before November 15, 2026 $1,852,500.

The Company has an option to satisfy the Machacala Subsequent Payment by issuing the Company's common shares equal to the payment amount determined using the fair value of the Company's common shares on the date of issuance.

Using a risk-adjusted discount rate of 12%, the Company calculated the fair value of the Machacala Subsequent Payment as $2,602,932 and recorded the provision at the Machacala Closing Date, which will be accreted to the face value during the term of the Machacala Subsequent Payment.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Peruvian Property (continued)

Compania Minera SFJ SAC ("SFJ")

On November 15, 2021 (the "SFJ Closing Date"), the Company completed a share purchase agreement (the "SFJ Agreement") to acquire all issued and outstanding shares of SFJ (the "SFJ Shares") which owns certain rights, titles and interests in and to the Urumalqui project in the Department of La Libertad of Peru.

Pursuant to the SFJ Agreement, the Company is obligated to make the following payments (the "SFJ Subsequent Payment"):

- On or before May 15, 2023 $15,000;
- On or before November 15, 2024 $30,000;
- On or before November 15, 2025 $75,000; and
- On or before November 15, 2026 $97,500.

The Company has an option to satisfy the SFJ Subsequent Payment by issuing the Company's common shares equal the payment amount determined using the fair value of the Company's common shares on the date of issuance.

Using a risk-adjusted discount rate of 12%, the Company calculated the fair value of the SFJ Subsequent Payment as $136,996 and recorded the provision at the SFJ Closing Date, which will be accreted to the face value during the term of the SFJ Subsequent Payment.

In addition, in connection with the acquisition of SFJ, the Company and the former shareholders of SFJ entered into a share pledge agreement (the "SFJ SP Agreement"). Pursuant to the SFJ SP Agreement, the SFJ Shares are pledged to the former shareholders of SFJ as collateral for the SFJ Subsequent Payment and will be released upon the SFJ Subsequent Payment is settled.

Snowbird Property

On August 25, 2021, Element79 Gold announced that it has signed a binding Letter of Intent (the "LOI") to acquire 100% of the issued and outstanding shares in Plutus Gold, which holds the option to acquire the Snowbird High-Grade Gold Project ("Snowbird Project").

For the period ended November 30, 2022, the Company expensed all exploration costs incurred on the Snowbird Project as the definitive agreement is yet to close.

5. EQUITY DRAWDOWN FACILITY

On September 14, 2020, the Company entered into a non-revolving Equity Drawdown Facility (the "Facility") that allows the Company to utilize funding for an aggregate amount of $5,000,000. The Company can draw down funds from the Facility from time to time during the three-year term at the Company's discretion by providing a notice ("Drawdown Notice") to the investor Crescita Capital LLC ("Investor"), and in return for each Drawdown Notice, the Company will allot and issue fully paid shares to the Investor in form of a "Private Placement". The shares issued in connection with any Private Placement will be priced at the higher of (i) $0.05 and (ii) 90% of the volume-weighted average price of the Shares for the ten trading days prior to the issue date of such Shares.

In connection with the Facility, the Company paid a 3% commission in shares (3,000,000 common shares valued at $150,000) and issued share purchase warrants equal to 8.5% of the outstanding shares of the Company at the time of closing of the Facility (3,394,050 share purchase warrants valued at $208,724). Each of the share purchase warrants can be exercised to purchase one common share of the Company at a price of $0.10 per share until October 1, 2023 (Note 10). The value of the financing fees is recorded as a deferred financing charge and is being amortized as share issue costs based on the amount drawn down from the Facility.

On May 5, 2022, the Company received an increased equity drawdown facility commitment from Crescita to the Company from $5,000,000 to $10,000,000 (the "Amendment"). The additional financing is being made available pursuant to an Amendment dated May 2, 2022, to the original investment and advisory agreement with Crescita dated September 14, 2020.

In addition to providing for the additional $5,000,000 equity drawdown commitment, the Amendment provides an additional requirement for the company to make a top up payment to Crescita in the event that the volume weighted average price of the Company's common shares is less than the subscription price paid by Crescita for a particular drawdown in the 30 days following the drawdown and amends the fees payable to Crescita for the second commitment. The Company paid an 8% fee to Crescita on the additional commitment satisfied by the issuance of 533,333 common shares (Note 10). The value of the financing fees is recorded as a deferred financing charge to be amortized based on the amount drawn down from the Facility.

On September 22, 2022, the Company issued 4,700,000 shares at a deemed price of $0.20 to Crescita pursuant to the amended drawdown agreement (Note 10).

During the three months ended November 30, 2022, the Company received additional share subscription payments from Crescita amounting to $190,000 (Note 10).

As at November 30, 2022, the carrying amount of the deferred financing charges is $626,473 (2022 - $740,451) and the subscribed shares total $920,000 (2022 - $1,670,000).

(Expressed in Canadian dollars)

6. LOANS PAYABLE

In relation to the amendment of the equity drawdown facility agreement, on July 18, 2022, the company issued a promissory note of $2,500,000 to reflect the Outstanding 2021 Funds (Note 5). During the three months ended November 30, 2022, the Company accrued $37,397 interest with respect to this promissory note. The total balance due, including accrued interest, as at November 30, 2022 was $2,555,479 (August 31, 2022 – 2,518,082).

Additionally, on September 12, 2022, the company borrowed a total $544,101 from different lenders (the "Nevada Promissory Notes") to pay Nevada projects concessions totaling US$404,250 - Battle Mountain US$363,495 and Maveric Springs US$40,755. During the three months ended November 30, 2022, the Company recorded $136,551 in financing fees related to the Nevada Promissory Notes.

7. TRADE PAYABLES AND ACCRUED LIABILITIES

The Company's trade payables and accrued liabilities are principally comprised of amounts for administrative and exploration activities. These are broken down as follows:

As at	**November 30, 2022**	August 31, 2022
	$	**$**
Trade payables	**1,387,204**	1,223,810
Accrued liabilities	**282,703**	110,846
Total trade and other payables	**1,669,907**	1,334,656

(Expressed in Canadian dollars)

8. PROVISIONS

The Company has an obligation to settle the MLDS Subsequent Cash Payment, the Machacala Subsequent Payment and the SFJ Subsequent Payment. The fair value of the obligations was initially recognized as a discounted amount by using a risk-adjusted discount rate of 12%, which will be accreted to the face value during the term of the payments.

	MLDS	Machacala	Urulmuqui	Total
	$	$	$	$
As at June 28, 2022	3,039,584	2,750,706	144,774	5,935,064
Add: Accretion	39,803	41,398	2,179	83,380
Effect of movements in exchange rates	58,926	-	-	58,926
As at August 31, 2022	**3,138,313**	**2,792,104**	**146,953**	**6,077,370**
Add: Accretion	**97,828**	**84,604**	**4,453**	**186,885**
Effect of movements in exchange rates	**95,173**	**-**	**-**	**95,173**
As at November 30, 2022	**3,331,314**	**2,876,708**	**151,406**	**6,359,428**
Less: Current portion	**402,431**	**269,825**	**14,202**	**686,458**
Long-term portion: August 31, 2022	**2,928,883**	**2,606,883**	**137,204**	**5,672,970**

During the period ended November 30, 2022, the Company recognized $186,885 accretion cost (November 30, 2021 - $Nil) with a corresponding increase in the carrying value of the provisions.

As of August 31, 2022, the carrying value of the provisions was $6,359,428 (August 31, 2022 – $6,077,370) of which $686,458 (2021 - $654,790) was classified as a current liability.

9. RELATED PARTY TRANSACTIONS

Key management personnel compensation

The remuneration of directors and other members of key management for the period ended 30 November 2022 and 2021 as follows:

	Three months ended November 30, 2022	**Three months ended November 30, 2021**
	$	$
Director and management fees	84,000	35,775
Consulting fees	37,500	15,000
Share-based compensation	-	253,223
Total	121,500	303,998

As at November 30, 2022, a total amount of $105,106 (August 31, 2022 - $147,004) was due to key management personnel.

10. SHARE CAPITAL

Authorized share capital

The Company has an authorized share capital of an unlimited number of common shares with no par value.

As at November 30, 2022, the Company had 83,119,895 common shares issued and outstanding.

On October 26, 2022, the Company entered into debt settlement agreements with certain creditors to settle an aggregate indebtedness of $387,336. The company issued 3,312,483 common shares subject to a four-month-plus-one-day hold period.

On September 22, 2022, the Company issued 4,700,000 shares at a price of $0.20 to Crescita pursuant to the amended drawdown agreement (Note 5).

On September 15, 2022, the Company entered into debt settlement agreements with certain creditors to settle an aggregate indebtedness of $951,167. The company issued 1,654,552 common shares subject to a four-month-plus-one-day hold period.

On June 29, 2022, the Company issued an aggregate of 19,165,484 common shares of the Company with a fair value of $8,911,950 to acquire Calipuy Resources Inc. (Note 17).

During the year ended August 31, 2022, the Company entered into debt settlement agreements with certain arm's-length creditors for the settlement of a total of $412,069 debt in respective debts for professional and consulting services provided by the creditors to the company. The total aggregate number of common shares issued pursuant to the debt agreements is 686,746 common shares valued at $322,294, resulting in a gain on settlement of debt of $89,775.

On May 5, 2022, the Company issued 533,333 common shares valued at $464,000 as an 8% fee to Crescita on the additional $5,000,000 equity drawdown commitment (Notes 5).

On January 6, 2022, the Company had authorized the issuance of 1,564,945 common shares at a price of $0.639 per share to Crescita pursuant to the Facility (Note 5).

On January 6, 2022, the Company issued 30,297 common shares at a price of $0.99 per share as part of the option requirements for its Dale Property (Note 4).

On December 17, 2021, the Company issued 2,525,000 common shares at a price of $1.11 per share to Goldco in relation to the Securities Exchange Agreement pursuant to which the Company has acquired all of the issued and outstanding securities of Goldco (Notes 4 and 17).

10. SHARE CAPITAL (continued)

Share issuance (continued)

On January 6, 2022, the Company issued 30,297 common shares at a price of $0.99 per share as part of the option requirements for its Dale Gold Property (Note 4).

On December 17, 2021, the Company issued 2,525,000 common shares at a price of $1.11 per share to Goldco in relation to the Securities Exchange Agreement pursuant to which the Company has acquired all of the issued and outstanding securities of Goldco (Notes 4 and 17).

On December 23, 2021, the Company issued 5,095,733 common shares at a price of $1.08 per share in relation to the acquisition of the Maverick Springs project and the Battle Mountain projects (Note 4).

Escrow securities

As at November 30, 2022, 2,603,700 common shares and 1,725,000 share purchase warrants were held in escrow. Escrow securities will be released over a period of 36 months, as to 10% on the date the Company's securities are listed on a Canadian exchange (the "Listing Date") and an additional 15% every six months following the completion of the first release on the Listing Date.

Share subscriptions received in advance

As at November 30, 2022, the Company has received a total of $5,360,000 from the Facility. After issuing $1,940,000 value of common share and reclassifying $2,500,000 to loans (Note 6), the company reserves $920,000 value of common shares for future issuance (Note 5).

Special warrants

On December 29, 2020, investors subscribed to 460,500 special warrants at a price of $0.10 per special warrant for total proceeds of $46,050. On April 30, 2021, each special warrant converted to one common share of the Company.

On October 25, 2020, investors subscribed to 410,820 special warrants at a price of $0.10 per special warrant for total proceeds of $41,082. In connection with this private placement, the Company paid cash finder's fee of $2,876 and other cash costs of $1,000. On February 26, 2021, each special warrant converted to one common share of the Company.

On September 2, 2020, investors subscribed to 29,650,000 special warrants at a price of $0.02 per special warrant for total proceeds of $593,000. On January 3, 2021, each special warrant converted to one common share and one-half share purchase warrant of the Company. Each full share purchase warrant can be exercised to purchase one additional common share of the Company at a price of $0.10 per share until September 2, 2023.

(Expressed in Canadian dollars)

10. SHARE CAPITAL (continued)

Warrants

On January 3, 2021, 29,650,000 special warrants converted to one common share and one-half share purchase warrant. Each full share purchase warrant can be exercised to purchase one additional common share of the Company at a price of $0.10 per common share until September 2, 2023.

On October 1, 2020, the Company issued 3,394,050 share purchase warrants to Crescita (Note 6). The warrants have an exercise price of $0.10 per common share and are exercisable for three years until October 1, 2023. The fair value of these share purchase warrants granted was determined to be $208,724 based on the following assumptions: share price at grant date of $0.10; exercise price of $0.10; expected life of 3 years; expected volatility of 100%; risk free interest rate of 0.25%; expected dividend yield rate of 0%.

On March 6, 2020, the Company issued 10,000,000 units for proceeds of $50,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable for $0.10 per common share until March 6, 2025.

As at August 31, 2022, the following share purchase warrants were outstanding:

Number of warrants	Exercise price	Expiry date
14,825,000	$0.10	September 2, 2023
3,394,050	$0.10	October 1, 2023
10,000,000	$0.10	March 6, 2025
28,219,050	$0.10	

The weighted average remaining life of stock options is 1.30 years.

Performance warrants

On June 28, 2022, in connection with the acquisition of Calipuy (Note 4), the Company granted 3,833,085 performance bonus warrants to acquire an aggregate of 3,833,085 common shares of the Company. Each performance bonus warrant is exercisable into one common share of the Company at an exercise price of $2.00 per share for a period of three years from the exercise eligibility date, subject to achievement of bonus performance target that is tied to producing a minimum production target of 9,000 tons of ore yielding a minimum of 1,500 oz Au within a 30-day production period.

Stock options

On November 20, 2020, the Company adopted a Stock Option Plan which provides that the Board of Directors may from time to time, at its discretion, grant options exercisable over periods of up to 10 years and will not have an exercise price lower than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. The maximum number of common shares which may be issued pursuant to options granted under the Stock Option Plan will be 10% of the issued and outstanding common shares at the time of the grant. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares

(Expressed in Canadian dollars)

10. SHARE CAPITAL (continued)

Stock options (continued)

in any 12-month period or 2% if the optionee is engaged in investor relations activities or is a consultant. The Stock Option Plan contains no vesting requirements, other than for consultants performing investor relations activities but permits the Board to specify a vesting schedule at its discretion.

On February 2, 2022, the Company has granted 150,000 stock options to a director of the Company. The stock options have an exercise price of $1.21 per common share and are exercisable for five years until February 2, 2027.

The fair value of these stock options was determined to be $135,330 using the Black-Scholes Option Pricing Model using the following assumptions:

	Year Ended August 31, 2022
Risk-Free Annual Interest	1.39%
Expected Volatility	100.00%
Expected Life of Option	5 years
Expected Annual Dividend	0%

On November 4, 2021, the Company granted 150,000 stock options to a consultant of the Company. The stock options have an exercise price of $1.32 per common share and exercisable for five years until November 4, 2026.

The fair value of these stock options was determined to be $147,912 using the Black-Scholes Option Pricing Model using the following assumptions:

	Year Ended August 31, 2022
Risk-Free Annual Interest	1.61%
Expected Volatility	100.00%
Expected Life of Option	5 years
Expected Annual Dividend	0%

On October 26, 2021, the Company has granted 250,000 stock options to a director and officer of the Company. The stock options have an exercise price of $1.37 per common share and are exercisable for five years until October 26, 2026.

The fair value of these stock options was determined to be $253,223 using the Black-Scholes Option Pricing Model using the following assumptions:

	Year Ended August 31, 2022
Risk-Free Annual Interest	0.42%
Expected Volatility	100.00%
Expected Life of Option	5 years
Expected Annual Dividend	0%

(Expressed in Canadian dollars)

10. SHARE CAPITAL (continued)

Stock options (continued)

The following is a summary of the changes in the Company's stock option activities as at the three months and year ended November 30, 2022 and August 31, 2022:

	November 30, 2022		August 31, 2022	
	Number of options	**Weighted-average exercise price**	Number of options	Weighted-average exercise price
		$		$
Outstanding, beginning	**2,750,000**	**0.34**	**2,200,000**	**0.10**
Granted	**-**	**-**	**550,000**	**1.31**
Outstanding, ending	**2,750,000**	**0.34**	**2,750,000**	**0.34**

The following table summarizes information regarding stock options outstanding and exercisable as at August 31, 2022:

Number of options	**Exercise price**	**Expiry date**
1,100,000	$0.10	November 20, 2025
500,000	$0.10	December 31, 2025
600,000	$0.10	April 15, 2026
250,000	$1.37	October 26, 2026
150,000	$1.32	November 4, 2026
150,000	$1.21	February 2, 2027
2,750,000	$0.34	

The weighted average remaining life of stock options is 3.29 years.

11. LOSS PER SHARE

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, share purchase warrants and convertible debentures, in the weighted average number of common shares outstanding during the year, if dilutive. As at November 30, 2022, basic and diluted loss per share are the same, as stock options or share purchase warrants have an anti-dilutive effect.

	November 30, 2022	**November 30, 2021**
Net loss during the year	(1,340,647)	(820,266)
Weighted average shares	79,390,507	43,851,321
Loss per share	(0.01)	(0.02)

(Expressed in Canadian dollars)

12. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended November 30, 2022, the Company had the following non-cash investing and financing activity:

During the three months ended November 30, 2022, the Company expensed $84,630 finance fees from the total deferred financing charge of $740,451, as the Company received $190,000 subscription from Crescita. Additionally, the Company issued 4,700,000 shares to settle $940,000 of share subscriptions received in advance.

On September 16, 2022, the Company entered into debt settlement agreements with certain creditors of the Company pursuant to which the Company has agreed to settle debts in the amount of $951,167 for 1,654,552 common shares.

On October 26, 2022, the Company it has entered into debt settlement agreements with various arm's-length and non-arm's-length creditors to settle an aggregate indebtedness of $387,336 through the issuance of an aggregate of 3,312,483 common shares.

13. FINANCIAL INSTRUMENTS

Categories of financial instruments

	November 30, 2022	August 31, 2022
	$	$
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash & cash equivalents	10,273	5,021
Amounts receivable	81,197	96,633
Total financial assets	**91,470**	**101,654**
Other liabilities, at amortized cost		
Loans Payable	3,099,580	2,518,082
Trade payables and accrued liabilities	1,669,907	1,334,656
Provisions	6,359,428	6,077,370
Total financial liabilities	**11,128,915**	**9,930,108**

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk
- Currency Risk

13. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments (continued)

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board of Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of two types of risk: interest rate risk and equity price risk.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. This risk is considered minimal.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with major financial institutions.

13. FINANCIAL INSTRUMENTS (Continued)

General Objectives, Policies and Processes (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate cash and restricted cash balances. The Company continuously monitors both actual

As at November 30, 2022, the Company had a cash balance of $10,273 (August 31, 2022 – $5,021) and gross receivables of $81,197 (August 31, 2022 – $96,633) to settle current liabilities due in twelve months or less of $5,457,101 (August 31, 2022 – $4,507,528) and carry out its planned exploration program in the coming year. Management seeks additional financing through the issuance of equity instruments to continue its operations. There can be no assurance it will be able to do so. As at November 30, 2022, the Company has access to $4,640,000 through its Equity Drawdown Facility.

Currency Risk

The Company might be exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. The Company does not use derivative instruments to reduce its currency risk.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.
The carrying amounts for cash, amount receivable and trade payable and accrued liabilities approximate fair value due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities
Level 2 – Inputs other than quoted prices that are directly or indirectly observable for the asset or liability; and
Level 3 – Inputs that are not based on observable market data.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash, amount receivable and trade payable, loan payable, and future acquisition payments approximate fair value due to their short-term nature.

(Expressed in Canadian dollars)

14. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to maintain an appropriate capital base in order to:

1. Advance the Company's corporate strategies to create long-term value for its stakeholders;
2. Sustain the Company's operations and growth throughout metals and materials cycles; and
3. Ensure compliance with the covenants of any applicable credit facility and other financing facilities used from time to time.

The Company monitors its capital and capital structure on an ongoing basis to ensure it is sufficient to achieve the Company's short-term and long-term strategic objectives. Management primarily funds the Company's exploration by issuing share capital, rather than using other capital sources that require fixed repayments of principal and interest. Management closely monitors its cash balance. The balance of cash as at November 30, 2022, was $10,273 (August 31, 2022 – $5,021).

There are presently no formal capital requirements with which the Company has not complied.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes to capital management during the three months ended November 30, 2022.

15. SEGMENTED INFORMATION

The Company's business activity is exploration and development of exploration and evaluation properties carried out in Canada, Peru, and the United States of America ("U.S.").

	November 30, 2022		
	Exploration and evaluation assets	**Deferred financing charges**	**Net loss**
	$	**$**	**$**
Canada	246,024	655,821	1,053,229
United States	11,625,992	-	-
Peru	14,899,721	-	287,418
Total	**26,771,737**	**655,821**	**1,340,647**

	August 31, 2022		
	Exploration and evaluation assets	**Deferred financing charges**	**Net loss**
Canada	239,595	740,451	4,544,133
United States	10,956,486	-	-
Peru	14,895,689	-	412,927
Total	**26,091,770**	**740,451**	**4,957,060**

16. COMMITMENTS AND CONTINGENCIES

As at November 30, 2022, the Company has exploration and evaluation properties in three jurisdictions (Note 4). Management does not consider that any amounts related to decommissioning liabilities are payable.

The Company has renewed an agreement with CorpComm Services Ltd. ("CorpComm") for continued writing and publishing dated April 15, 2022. The agreement is for twelve months with cash consideration of up to $15,000 per month until April 15, 2023.

On November 04, 2022, the Company engaged the business development and marketing services of two highly seasoned providers, Euroswiss Equity Group and Victory Marketing Solutions. Euroswiss has been engaged for a term of six months, renewable subject to the agreement by both parties. The Company committed to deliver a total of $80,000 to Euroswiss, which may be paid in 640,000 free-trading common shares of the company based on the share price of $0.125 on the date of the agreement.

Victory has been engaged for a term of three months, renewable for additional three-month periods. The Company agreed to pay a fee of $15,000 per month to Victory, paid quarterly, and shall issue 350,000 options, with the first 100,000 options priced at $0.15, the second 100,000 options priced at $0.22 and the final 150,000 options priced at $0.30.

In connection with the Company's decommissioning liabilities and the above service agreements, there is no assurance that a formal claim will not be made against the Company for certain of the payables that might exist as at November 30, 2022.

17. ACQUISITIONS

Calipuy Resources Inc.

On June 28, 2022, the Company completed the acquisition of Calipuy. Under the share purchase agreement, the company acquired all of the issued and outstanding shares of Calipuy with the issuance of 19,165,484 of the Company common shares valued at $8,911,950 (Note 5 and 11). Calipuy is a private B.C. corporation, which, through its subsidiaries in Peru, holds a 100% interest in the Lucero property, the Machacala property and the Urulmuqui property, subject to certain royalties, encumbrances and other interests, as more particularly described in the agreement.

The acquisition was accounted for as an asset acquisition as Calipuy did not meet the definition of a business under IFRS 3, Business Combination.

(Expressed in Canadian dollars)

17. ACQUISITIONS (Continued)

Calipuy Resources Inc. (continued)

The purchase price was allocated as follows:

Total consideration paid	**8,911,950**
Share Consideration paid	8,911,950
Assets acquired and liabilities assumed	**8,911,950**
Cash received	24,946
Accounts receivable	49,712
Accounts payable	(115,081)
Provisions (Note 8)	(5,935,064)
Exploration and evaluation assets (Note 4)	14,887,437

Goldco

On December 17, 2021, the Company closed a Securities Exchange Agreement with Goldco. Under the terms of the Securities Exchange Agreement, the Company has acquired all of the issued and outstanding shares of Goldco in exchange for a $300,000 cash payment (paid) and 2,525,000 common shares of the Company (issued, valued at $2,802,750) (Note 5 and 11).

The acquisition was accounted for as an asset acquisition as Goldco did not meet the definition of a business under IFRS 3, Business Combination.

The purchase price of $3,102,750 was allocated to the Nevada Portfolia exploration and evaluation assets at August 31, 2022 (Note 5).

18. SUBSEQUENT EVENT

On December 20, 2022, the Company and Condor, the beneficial recipient of the MLDS Subsequent Cash Payment, agreed to reschedule the December 21, 2022 payment of US$300,000 into two payments: The first payment of US$100,000 is now due on or before January 31, 2023 (paid) and the balance of US$200,000 is due on or before March 31, 2023. As consideration for the rescheduled payments, the Company issued 250,000 shares to Condor on December 21, 2022. All other terms of the sale of MLDS remain unchanged.

On January 6, 2023, the Company issued 216,798 common shares as part of the options requirements for its Dale Property (Note 5).

19. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Company for the three months ended November 30, 2022 were approved and authorized for issue by Board of Directors on February 9, 2023.