

Condensed Consolidated Interim Financial Statements
Unaudited) of

MUZHU MINING LTD.

As at June 30, 2023 and 2022,
and for the three month periods ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

Notice of no Auditor Review of Condensed Consolidated 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 condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor

MUZHU MINING LTD.

Unaudited Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

	As at June 30, 2023	As at March 31, 2023
	\$	\$
ASSETS		
Current assets		
Cash	267,798	543,668
GST receivable	34,969	38,602
Prepaid expenses	252,278	23,715
	555,044	605,985
Exploration and evaluation assets (Note 6)	724,301	724,301
	1,279,345	1,330,286
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	164,821	121,548
Due to related parties (Note 5)	38,275	33,841
Flow through share premium liability (Note 7)	95,000	95,000
	298,096	250,389
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 4)	2,455,020	2,298,916
Reserves (Note 4)	687,714	576,447
Subscriptions received in advance	-	65,485
Deficit	(2,161,485)	(1,860,951)
	981,249	1,079,897
	1,279,345	1,330,286

Nature of business and going concern (Note 1)

Subsequent events (Note 12)

Approved and authorized for issue on behalf of the Board on August 31, 2023

Richard Tong

Director

James Tong

Director

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

MUZHU MINING LTD.

Unaudited Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the three month period ended June 30, 2023 and June 30, 2022

(Expressed in Canadian dollars)

	Three Month Period Ended	
	June 30, 2023	June 30, 2022
	\$	\$
Expenses		
Advertising and promotion	5,500	6,150
Consulting fees (Note 5)	64,970	47,000
Directors' fees (Notes 5 & 12)	-	22,500
Filing fees and transfer agent	4,309	7,613
Insurance	4,226	3,888
Interest and bank charges	324	157
Office and general	19,315	-
Professional fees	17,880	11,427
Property investigation costs (Note 6)	153,092	82,455
Share-based compensation (Notes 4 & 5)	-	28,800
Travel, meals, and entertainment	3,412	-
Wages and benefits	27,506	-
	(300,534)	(209,990)
Net loss and comprehensive loss	(300,534)	(209,990)
Loss per share – basic and diluted (Note 11)	(0.01)	(0.01)
Weighted average number of common shares outstanding – basic and diluted	34,702,868	22,219,034

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

MUZHU MINING LTD.

Unaudited Condensed Consolidated Interim Statements of Changes in Equity (Deficiency)

For the three month period ended June 30, 2023 and the fifteen month period ended March 31, 2023

(Expressed in Canadian dollars)

	Common shares		Subscription received in advance	Reserves	Deficit	Total
	#	\$	\$	\$	\$	\$
Balance, December 31, 2021	22,328,462	1,711,722	-	8,800	(861,726)	858,796
Shares issued under private placement	10,075,417	747,000	-	207,600	-	954,600
Valuation of finders' warrants	-	(14,246)	-	14,246	-	-
Share issue costs	-	(50,560)	-	-	-	(50,560)
Flow through share premium	-	(95,000)	-	-	-	(95,000)
Subscription received in advance	-	-	65,485	-	-	65,485
Share based compensation	-	-	-	345,801	-	345,801
Loss for the fifteen month period	-	-	-	-	(999,225)	(999,225)
Balance, March 31, 2023	32,403,879	2,298,916	65,485	576,447	(1,860,951)	1,079,897
Shares issued under private placement	3,421,670	163,000	(65,485)	110,734	-	208,249
Valuation of brokers' warrants	-	(533)	-	533	-	0
Share issue costs	-	(6,363)	-	-	-	(6,363)
Loss for the three month period	-	-	-	-	(300,534)	(300,534)
Balance, June 30, 2023	35,825,549	2,455,020	0	687,714	(2,161,485)	981,249

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

MUZHU MINING LTD.

Unaudited Condensed Consolidated Interim Statements of Cash Flows

For the three month period ended June 30, 2023 and the fifteen month period ended March 31, 2023

(Expressed in Canadian dollars)

	June 30, 2023	March 31, 2023
	\$	\$
Cash provided by (used in):		
Operating activities		
Net loss for the period	(300,534)	(999,225)
Items not affecting cash:		
Share based compensation	-	345,801
Flow-through premium recovery	-	(52,030)
Net Change in non-cash working capital balances related to operations:		
GST receivable	3,633	(29,235)
Prepaid expenses	(228,563)	(22,465)
Accounts payable and accrued liabilities	35,304	68,218
Due to related parties	4,434	33,841
	<u>(485,725)</u>	<u>(655,095)</u>
Investing activities		
Exploration and evaluation asset additions	1,485	(440,870)
	<u>1,485</u>	<u>(440,870)</u>
Financing activities		
Shares issued for cash	273,734	954,600
Share issue costs	121	(39,310)
Subscription received in advance	(65,485)	65,485
	<u>208,370</u>	<u>980,775</u>
Net change in cash	(275,870)	(115,190)
Cash, beginning of period	543,668	658,858
Cash, end of period	<u>267,798</u>	<u>543,668</u>
Supplemental cash flow info:		
Non-cash transactions	\$	\$
CIC in accounts payable	1,485	1,485
Share issue costs in accounts payable	6,484	11,250
Future value of finder's warrants	533	14,246

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

MUZHU MINING LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the three month period ended June 30, 2023 and June 30, 2022 (Expressed in Canadian dollars)

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Muzhu Mining Ltd. (“MUZHU” or the “Company”) was incorporated under the Business Corporations Act of British Columbia on January 24, 2018. The Company’s common shares are listed for trading on the Canadian Securities Exchange. The address of the Company’s head office is 4353 Halifax Street, Suite 904, Burnaby, BC, V5C 5Z4 and the registered office is 777 Hornby Street, Suite 600, Vancouver, BC, V6Z 1S4, Canada.

The Company’s objective is to seek opportunities in the exploration, development and mining of precious metals properties domestically and/or internationally. It currently has exploration property agreements in Canada and China.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at June 30, 2023, the Company had not yet generated revenues and had an accumulated deficit of \$2,161,485. These factors indicate the existence of a material uncertainty that casts 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 the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or proceeds from the disposition of its resource property interests. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern. Such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally. In late February 2022, Russia launched a large scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, China, NATO and the West, including Canada. Consequently, the Company has limited access to capital and financing which is the primary source of cash for the Company. While the Company continues to monitor the investment portfolio and assess the impact that these events will have on its business activities, the extent of the effect of these events on the Company’s future activities is uncertain.

NOTE 2 - BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). They are prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss which have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

These condensed consolidated interim financial statements are presented in Canadian dollars which is the Company’s and its subsidiary’s functional currency.

The board of directors approved these financial statements on August 31, 2023.

MUZHU MINING LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three month period ended June 30, 2023 and June 30, 2022

(Expressed in Canadian dollars)

Note 2 – Basis of Presentation (continued)

(b) Basis of consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its direct wholly-owned subsidiary: Luoyang Sow International Mining Company Ltd., located in the People's Republic of China.

(c) Significant accounting policies

These unaudited condensed consolidated interim financial statements do not include all of the significant accounting policies required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read together with the audited financial statements for the fifteen month period ended March 31, 2023 which in Note 2 detail all significant accounting policies adopted by the Company. The Company's accounting policies have been applied consistently to all periods presented in these unaudited condensed consolidated interim financial statements.

(d) Significant accounting judgments and estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the consolidated financial statements.

The company's significant estimates and judgements are as follows:

- Going concern - significant judgments are used in the Company's assessment of its ability to continue as a going concern as described in Note 1.
- Valuation and recoverability of exploration and evaluation assets. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project;
- Valuation of share-based payments – the Company records all share based payments and warrants using the fair value method. The Company uses the Black-Scholes model to determine the fair value of stock options, warrants and broker/finder warrants. The main factor affecting the estimates is the stock price expected volatility used. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

NOTE 3 – ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. There are presently no new standards, interpretations and amendments to existing standards which may have a significant impact on the Company's condensed consolidated interim financial statements.

NOTE 4 – SHARE CAPITAL

a) Common shares

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

MUZHU MINING LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the three month period ended June 30, 2023 and June 30, 2022
(Expressed in Canadian dollars)

NOTE 4 – SHARE CAPITAL (continued)

a) Common shares (continued)

Fiscal 2023 Transactions:

- (i) On June 29, 2022, the Company issued 2,276,667 units at \$0.12 per unit, each unit comprises one share and one half warrant, with each whole warrant exercisable at \$0.20 for a period of one year for gross proceeds of \$273,200.
- (ii) On December 19, 2022, the Company issued 2,500,000 flow through units at \$0.085 per unit, each unit comprises one share and one half warrant, with each whole warrant exercisable at \$0.12 for a period of two years for gross proceeds of \$212,500 with flow through share premium of \$50,000.
- (iii) On March 24, 2023, the Company issued 3,048,750 units at \$0.08 per unit, each unit comprises one share and one whole warrant exercisable at \$0.12 for a period of two years for gross proceeds of \$243,900.
- (iv) On March 30, 2023, the Company issued 2,250,000 flow through units at \$0.10 per unit, each unit comprises one share and one whole warrant exercisable at \$0.15 for a period of one year for gross proceeds of \$225,000 with flow through share premium of \$45,000.

Fiscal 2024 Transactions:

- (i) On May 10, 2023, the Company issued 3,421,670 units at \$0.08 per unit, each unit comprises one share and one whole warrant exercisable at \$0.12 for a period of two years for gross proceeds of \$273,734.

b) Stock options

The Company has a stock option plan (the "Plan") under which the directors of the Company may grant options to acquire common shares of the Company to directors and officers, employees, and consultants of the Company. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant. The options vest immediately unless otherwise specified. The maximum number of options granted may not exceed 10% of the issued and outstanding shares.

The following table summarizes the stock option activity for the 3 month period ended June 30, 2023 and the 15 month period ended March 31, 2023:

March 31, 2023	Granted	Exercised	Expired Unexercised	Cancelled	June 30, 2023	Exercise Price	Expiry Date
1,005,000	-	-	-	-	1,005,000	\$0.14	January 5, 2027
250,000	-	-	-	-	250,000	\$0.14	January 5, 2027
250,000	-	-	-	-	250,000	\$0.14	February 10, 2027
1,175,000	-	-	-	-	1,175,000	\$0.12	February 22, 2028
2,680,000	-	-	-	-	2,680,000	\$0.12	

MUZHU MINING LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the three month period ended June 30, 2023 and June 30, 2022
(Expressed in Canadian dollars)

NOTE 4 – SHARE CAPITAL (continued)**c) Warrants**

Details of warrants activity for the 3 month period ended June 30, 2023 and the 15 month period ended March 31, 2023 are as follows:

March 31, 2023	Issued	Exercised	Expired	June 30, 2023	Exercise Price	Expiry Date
1,138,333	-	-	(1,138,333)	-	\$0.20	June 29, 2023
1,450,000	-	-	-	1,450,000	\$0.12	December 19, 2024
3,088,750	-	-	-	3,088,750	\$0.12	March 24, 2025
2,407,500	-	-	-	2,407,500	\$0.15	March 30, 2024
-	3,421,670	-	-	3,421,670	\$0.12	May 10, 2025
8,084,583	3,421,670	-	(1,138,333)	10,367,920	\$0.13	

NOTE 5 – RELATED PARTY TRANSACTIONS AND BALANCES

As at June 30, 2023, the Company has a balance due to directors and officers of \$38,275 (June 30, 2022 - \$ Nil).

Directors and Officers were paid an aggregate of \$40,111 as directors' fees and consulting fees for the 3 month period ended June 30, 2023 (June 30, 2022 - \$24,000)

A family member of one of the Directors of the Company was paid \$4,500 for consulting fees for the 3 month period ended June 30, 2023 (June 30, 2022 - \$4,500).

Key management personnel compensation

Key management personnel consist of officers and directors of the Company. Remuneration of key management personnel was \$40,111 for the 3 month period ended June 30, 2023 (June 30, 2022 - \$22,500).

NOTE 6 - EXPLORATION AND EVALUATION ASSETS

The company's exploration and evaluation properties were as follows:

	Sleeping Giant South Property	XWG Property	Total
Balance, December 31, 2021	281,946	-	281,946
Acquisition Costs	-	-	-
Drilling and Assaying	-	-	-
Geology	303,579	-	303,579
Geophysics	131,736	-	131,736
Property	-	-	-
Environmental & Permitting	7,039	-	7,039
Additions	442,355	-	442,355
Balance, March 31, 2023	724,301	-	724,301
Balance, June 30, 2023	724,301	-	724,301

MUZHU MINING LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three month period ended June 30, 2023 and June 30, 2022

(Expressed in Canadian dollars)

NOTE 6 – EXPLORATION AND EVALUATION ASSETS (continued)

LMM Property

Muzhu Mining Ltd. has formed a strategic alliance through its wholly owned subsidiary, Luoyang Sow International Mining Company Ltd., with Luoning County Muzhu Mountain Lead and Silver Mine Company Ltd., within the Luoning county, Henan province of China, which owns a property contiguous to the north of Muzhu Mining's option agreement with the XWG silver property. The parties agree to explore and develop the Niujuangou Mine area where the Company has incurred \$153,092 for the 3 month period ended June 30, 2023 (June 30, 2022 - \$ Nil) in property investigation costs related to the property.

XWG Property

On November 22, 2021, the Company entered into, and renewed on November 23, 2022 an option agreement with Lingbao Yida Mining Co., Ltd., ("Lingbao") a private Chinese company, to acquire an undivided 60% interest in the Xia Wa Gou (XWG) mining property, located in the Province of Henan, People's Republic of China.

Pursuant to the terms of the option agreement, the Company is required to:

- (a) incur minimum expenditures on the property of not less than an aggregate of \$3,000,000 according to the following schedule:
 - (i) \$500,000 prior to the first anniversary of the Effective Date;
 - (ii) an additional \$1,000,000 prior to the second anniversary of the Effective Date;
 - (iii) an additional \$1,500,000 prior to the third anniversary of the Effective Date;
- (b) issuing and delivering to Lingbao an aggregate of 3,750,000 common shares according to the following schedule:
 - (i) 250,000 common shares upon approval and signing by both parties, subject to Exchange Approval or Regulatory Approval (not yet issued);
 - (ii) 1,000,000 common shares prior to the first anniversary of the Effective Date;
 - (iii) 1,000,000 common shares prior to the second anniversary of the Effective Date; and
 - (iv) 1,500,000 common shares prior to the third anniversary of the Effective Date.

As at June 30, 2023, the Company has not completed any of the above terms, and has expensed \$ Nil (June 30, 2022 - \$ Nil) to property investigation costs related to the property.

Sleeping Giant South Property

On November 10, 2020 the Company entered into a purchase agreement with North American Exploration inc. and Silverwater Capital Corp., private Canadian companies, to acquire a 100% interest in the Sleeping Giant South Property (the "Property"), in the Quevillon Mining Camp in Quebec. The Company has completed the purchase agreement in fiscal 2021.

Pursuant to the terms of the purchase agreement, the Company is required to:

- (i) Make a cash payment of \$7,888 on or before December 31, 2020 (paid);
- (ii) Issue 3,500,000 common shares of the Company on or before December 31, 2020 (issued at value of \$175,000); and
- (iii) Pay a net smelter returns royalty ("NSR") equal to 3%.

The Property is subject to:

- an option to purchase one-third of the NSR from North American Exploration Inc. and Silverwater Capital Corp. at any time for the sum of \$500,000; and
- North American Exploration Inc. and Silverwater Capital Corp. shall be paid 20% of the proceeds received on the sale of the Property to a third party.

MUZHU MINING LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the three month period ended June 30, 2023 and June 30, 2022
(Expressed in Canadian dollars)

NOTE 7 – FLOW-THROUGH SHARE PREMIUM LIABILITY

Balance, December 31, 2021	52,030
Flow-through premium liability additions	95,000
Settlement of flow-through premium liability to qualifying expenditures	(52,030)
Balance, March 31, 2023	95,000
Balance, June 30, 2023	95,000

Pursuant to the flow-through agreements, the Company is obligated to incur qualifying exploration costs of \$437,500 on its property in Canada.

NOTE 8 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable, accrued liabilities and due to related parties. The carrying value of these financial instruments approximates their fair values due to their immediate or short-term maturity.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as follows:

	Fair Value Measurements Using			June 30, 2023
	Level 1	Level 2	Level 3	
Cash	\$ 267,798	–	–	\$ 267,798

	Fair Value Measurements Using			March 31, 2023
	Level 1	Level 2	Level 3	
Cash	\$ 543,668	–	–	\$ 543,668

Management of Risks Arising From Financial Instruments

The Company is exposed to various types of market risks including liquidity risk, credit risk, interest rate risk, political risk, foreign currency fluctuation risk, and commodity price risk. This is not an exhaustive list of all risks, nor will the mitigation strategies eliminate all risks listed.

(i) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash or through the issuance of common shares. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year. The Company is exposed to liquidity risk.

(ii) 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. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and GST receivable. Cash is held with a major Canadian financial institution in Canada and the Bank of China in China and the receivables are due from Government entities. Management is of the view that all amounts are fully collectible.

MUZHU MINING LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the three month period ended June 30, 2023 and June 30, 2022
(Expressed in Canadian dollars)

NOTE 8 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

(iv) Political Risk

The Company has a subsidiary in the People's Republic of China. These operations are potentially subject to a number of political, economic and other risks that may affect the Company's future operations and financial position.

(v) Foreign Currency Fluctuation Risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs and vendors are primarily in Canada and the People's Republic of China. Any fluctuations of the Canadian dollar in relation to the Chinese Yuan may affect the profitability of the Company and the value of the Company's assets and liabilities.

(vi) Commodity Price Risk

The Company's future success is linked to the price of minerals, because the value of mineral resources and the Company's future potential revenues are tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.

NOTE 9 – SEGMENTED INFORMATION

a) Operating Segment

The Company's operations are primarily directed towards the acquisition of mineral properties and exploration for metals in Canada and the People's Republic of China.

The Company's geographic information as at June 30, 2023 and March 31, 2023 are as follows:

	Canada (\$)	China (\$)	Total (\$)
Balance, December 31, 2021	281,946	-	281,946
<u>Assets</u>			
Mineral properties	442,355	-	442,355
Balance, March 31, 2023	724,301	-	724,301
Balance, June 30, 2023	724,301	-	724,301

NOTE 10 – CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the period ended June 30, 2023. The Company is not subject to externally imposed capital requirements. The Company may raise additional debt or equity financing in the near future to meet its obligations.

MUZHU MINING LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three month period ended June 30, 2023 and June 30, 2022

(Expressed in Canadian dollars)

NOTE 11 – LOSS PER SHARE

The calculation of basic loss per share for the 3 month period ended June 30, 2023 and the 3 month period ended June 30, 2022 was based on total loss attributable to common shareholders of \$300,534 (June 2022 - \$209,990) and a weighted average number of common shares outstanding of 34,702,868 (June 2022 – 22,219,034).

Diluted loss per share equals basic loss per share as all outstanding options and warrants were anti-dilutive for all periods presented.

NOTE 12 – SUBSEQUENT EVENT

The Board of Directors agreed to start accruing director fees of \$2,500 per director per month beginning August 01, 2023.