CANADIAN COPPER INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

Three Months Ended January 31, 2023
(Expressed in Canadian Dollars)

(UNAUDITED)

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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 condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

CANADIAN COPPER INC.

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at	January 31, 2023	October 31, 2022
Assets		
Current assets		
Cash and cash equivalents (note 4)	$ 887,557	$ 1,011,985
Sales tax receivable	222,362	164,628
Prepaid expenses	14,167	36,129
Total current assets	1,124,086	1,212,742
Exploration and evaluation assets (note 5)	1,330,000	1,330,000
Total Assets	$ 2,454,086	$ 2,542,742
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 126,512	$ 143,225
Flow-through liability (note 7(b)(i))	53,354	-
Total Liabilities	179,866	143,225
Shareholders' Equity		
Share capital (note 7)	4,842,587	4,509,123
Contributed surplus (note 7)	293,173	280,860
Accumulated deficit	(2,861,540)	(2,390,466)
Total shareholders' equity	2,274,220	2,399,517
Total Liabilities and Shareholders' Equity	$ 2,454,086	$ 2,542,742

Nature and going concern (note 1)
Commitments (note 10)

Approved by the Board of Directors:

Director: Simon Quick

Director: Andrew Elinesky

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

CANADIAN COPPER INC.

Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudite)

Three months ended January 31,	**2023**	**2022**
Expenses		
Consulting fees	$ 33,040	$ 128,923
Exploration and evaluation expenditures	271,510	624,543
Office expenses	29,822	6,471
Professional fees	73,053	33,259
Salaries and benefits	45,047	37,389
Stock-based payments (note 7)	12,313	17,793
Regulatory fees	17,187	3,669
Travel expenditure	1,633	3,017
Net loss for before other items:	(483,605)	(855,064)
Other items:		
Reversal of flow-through liability (note 7(b)(i))	7,846	-
Interest income	4,685	-
Net loss and comprehensive loss	$ (471,074)	$ (855,064)
Basic and diluted loss per share	$ (0.01)	$ (0.02)
Weighted average number of shares outstanding - basic and diluted	68,337,609	53,784,783

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

CANADIAN COPPER INC.

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

	Share Capital				
	Number	Amount	Contributed surplus	Deficit	Total
Balance, October 31, 2021	52,500,000	$ 2,300,000	$ 27,073	$ (698,887)	$ 1,628,186
Issuance of units for cash (note 7)	5,475,000	1,204,500	164,250	-	1,368,750
Share issuance costs	-	(2,450)	-	-	(2,450)
Units issued for performance warrants exercised (note 7)	2,500,000	77,073	(27,073)	-	50,000
Stock-based payments	-	-	17,793	-	17,793
Net loss and comprehensive loss for the period	-	-	-	(855,064)	(855,064)
Balance, January 31, 2022	60,475,000	$ 3,579,123	$ 182,043	$ (1,553,951)	$ 2,207,215

Balance, October 31, 2022	66,475,000	$ 4,509,123	$ 280,860	$ (2,390,466)	$ 2,399,517
Issuance of flow-through shares (note 7)	4,080,000	408,000	-	-	408,000
Share issuance costs	-	(13,336)	-	-	(13,336)
Flow-through liability (note 7)	-	(61,200)	-	-	(61,200)
Stock-based payments	-	-	12,313	-	12,313
Net loss and comprehensive loss	-	-	-	(471,074)	(471,074)
Balance, January 31, 2023	70,555,000	$ 4,842,587	$ 293,173	$ (2,861,540)	$ 2,274,220

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

CANADIAN COPPER INC.

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

Three months ended January 31,	**2023**	**2022**
Operating Activities		
Net loss	$ (471,074)	$ (855,064)
Items not affecting cash:		
Stock-based payment (note 7)	12,313	17,793
Reversal of flow-through liability	(7,846)	-
Loss on settlement of accounts payable	-	-
Changes in non-cash operating working capital:		
Sales tax receivables	(57,734)	(41,504)
Prepaid	21,962	(845)
Accounts payable and accrued liabilities	(16,713)	446,571
Cash used in operating activities	(519,092)	(433,049)
Investing Activities		
Options payment on exploration and evaluation assets (note 5)	-	(100,000)
Cash used in investing activities	-	(100,000)
Financing Activities		
Net proceeds from issuance of shares, net of costs	394,664	1,366,300
Proceeds of warrants exercised	-	-
Subscriptions received	-	-
Cash provided by financing activities	394,664	1,366,300
Change in cash and cash equivalent	(124,428)	833,251
Cash and cash equivalent, beginning	1,011,985	1,445,005
Cash and cash equivalent, ending	$ 887,557	$ 2,278,256

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

1. Nature of operations and going concern

Canadian Copper Inc. ("Canadian Copper" or "the Company") was incorporated under the *Business Corporations Act* (Ontario) (the **OBCA**) on April 8, 2021, as Melius Capital 3 Corp. On July 27, 2021, Melius Capital 3 Corp. changed its name to Melius Metals Corp. On April 12, 2022 the Company's name was changed to Canadian Copper Inc. The Company was finally approved by the CSE on July 26, 2022 and the Company's shares became listed on the CSE under the ticker "CCI" on July 26, 2022.

The address of the Company's corporate office address is Canadian Venture Building, 82 Richmond Street East, Toronto ON, M5C 1P1.

The principal business of the Company is the identification, evaluation and acquisition of mineral properties in Canada. During the three months ended January 31, 2023, the Company has been active in investigating the viability of the Company's mineral properties (the "Properties"). The Company has not yet determined whether any of the properties it owns may contain a mineral resource that may eventually be economically recoverable. The economic viability of the Properties will depend on the establishment of ore reserves, the confirmation of the Company's interest in the mineral claims and the ability of the Company to obtain the necessary financing to complete its development and place it into commercial production.

These unaudited condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future. During the three months ended January 31, 2023, the Company has incurred losses of $471,074 (three months ended January 31, 2022 - $855,064) and as at January 31, 2023, has an accumulated deficit of $2,861,540 (October 31, 2022 - $2,390,466) and working capital of $944,220 (October 31, 2022 - $1,069,517). The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and generating profitable operations in the future. Management estimates that the cash as at January 31, 2023 will be sufficient to meet the Company's needs for cash during the current year of 2023.

These factors give rise to a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. These unaudited condensed interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

The unaudited condensed interim financial statements were approved and authorized for issue on March 30, 2023 by the Board of Directors of the Company.

2. Basis of preparation

(a) Statement of compliance

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting 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").

These unaudited condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for year ended October 31, 2022.

(b) Functional and presentation currency

The functional and presentation currency of the Company is the Canadian dollar.

(c) Measurement basis

These unaudited condensed interim financial statements have been prepared on the historical cost basis except for where IFRS requires recognition at fair value.

3. Summary of significant accounting policies

(a) Significant accounting estimates and judgments

The preparation of these unaudited condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and may change if new information becomes available. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods if the revision affects both the current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

Critical accounting estimates

i. Stock-based payments. To estimate expenses for stock-based payments, it is necessary to select an appropriate valuation model and obtain the inputs necessary for the valuation model chosen. The Company estimated the volatility of shares of similar companies and the expected life and the exercise period of warrants and stock options granted. The model used by the Company is the Black-Scholes valuation model (see note 6).

ii. Provisions and contingent liabilities. The judgment is used to determine whether a past event has created a liability that should be recorded in the financial statements or whether it should be presented as a contingent liability. Quantify these liabilities involves judgments and estimates.

    These judgments and estimates are based on several factors, such as the nature of the claim or dispute, legal procedures and the potential amount to be paid, legal advice obtained and the likelihood of the realization of a loss.

(Expressed in Canadian Dollars)

3. Summary of significant accounting policies (continued)

Critical accounting judgments

i. Going concern
The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year and to fund planned and contractual exploration and evaluation programs, involves judgments including expectation of future events that are believed to be reasonable under the circumstances.

ii. Impairment of Exploration and evaluation Assets
Exploration and evaluation assets shall be assessed for an impairment test when facts and circumstances suggest that their carrying amount may exceed recoverable amount. To determine Indications of impairment of exploration and evaluation assets require significant judgment. Management considers various factors including, but are not limited to, financial and human resources available, exploration budgets planned, importance and results of exploration work done previously, industry and economic trends and price of minerals.

iii. Deferred tax assets
The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets

(b) New standards issued but not yet effective

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.

4. Cash and cash equivalent

As at	January 31, 2023	October 31, 2022
Cash	$ 437,557	$ 311,985
Cash equivalent	450,000	700,000
	$ 887,557	$ 1,011,985

The cash equivalent represents Guaranteed Investment Certificate ("GIC") in the amount of $450,000 of which $200,000 bears an annual interest rate of prime rate minus 2.45% (2.25% as at October 31, 2022), redeemable at any time until August 2023.

5. Exploration and evaluation assets

On June 30, 2021, the Company entered into an Option Agreement ("Option Agreement") with Puma Exploration Inc. ("Puma"), a Company listed on the TSX-V under the ticker PUMA. The Company is granted an option to acquire 100% of the following exploration projects (Collectively, the "Puma Projects"):

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets (continued)

The continuity of exploration and evaluation assets are as follow:

As at	**January 31, 2023**	**October 31, 2022**
Opening balance	$ 1,330,000	$ 300,000
Additions	-	100,000
Additions from issuance of shares (note 7)	-	930,000
Ending balance	$ 1,330,000	$ 1,330,000

Mineral interests - acquisition costs:

	January 31, 2023	**October 31, 2022**
Turgeon Project		
Turgeon Project 1813	$ 342,034	$ 342,034
Turgeon Sud Property 5594	98,912	98,912
Murray Brook Project		
Murray Brook West Property 7846	77,961	77,961
Chester Project		
Chester Property 1571	423,009	423,009
Chester EAB Property 6003	147,165	147,165
Big Sveogle River Property 9026	3,475	3,475
Chester West Property 9036	2,117	2,117
South Big Sevogle River Property 9886	-	-
Big Sevvogle River Property 7045	5,073	5,073
Legacy Project		
Legacy Group Property 5443	49,104	49,104
McKenzie Gulch Property 6202	132,734	132,734
Brunswick Cards Project		
Little North Sevogle Property or Brunswick Cards West 9300	9,859	9,859
The North Sevogle Property 9302	38,557	38,557
Total	$ 1,330,000	$ 1,330,000

5. Exploration and evaluation assets (continued)

Mineral interests

Under the terms of the Option Agreement dated on June 30, 2021, as amended on November 19, 2021, and amended again on April 29, 2022, the Company can acquire 100% interest in the Puma Projects located in New Brunswick and are subject to and conditional upon all of the following conditions being satisfied:

- Issue 6,000,000 common shares on the execution date (issued on June 30, 2021 for a fair value of $300,000).
- The Company will compensate all the legal fees and disbursements required for Puma to complete a virtual extraordinary meeting of its shareholders to approve a capital reduction of up to $2,100,000. (completed on March 9, 2022).
- The successful completion by the Company of one of more equity offerings by way of private placements for aggregate gross proceeds of at least $2,250,000, following which at least 58,000,000 Company Shares will be issued and outstanding (completed on January 19, 2022).
- $100,000 in cash (paid November 22, 2021) and incur $500,000 (incurred by December 15, 2022) in exploration and evaluation work on Chester Optioned Project no later than January 17, 2022; Consent of Galleon Gold Corp. (formerly Explor Resources Inc.) to Puma's assignment of rights to the Company (completed on November 18, 2021).
- The filing by the Company of a preliminary prospectus in any jurisdiction in Canada. (completed on January 27, 2022).
- The Company should obtain a receipt for a final prospectus by May 31, 2022 (completed on May 24, 2022).
- Receipt by Puma of final approval from the TSX Venture Exchange of the Puma Option Agreement (completed on June 9, 2022).
- Satisfaction of Puma that the Company will meet the conditions of closing the Puma Option Agreement including Listing on the CSE and issuance of shares (completed on July 26, 2022).

The Puma Option Agreement is closed as a result of the following conditions being satisfied:

- The closing of the Puma Option agreement is conditional upon the Company successfully listing on the CSE and the issuance of the remaining 6,000,000 shares (issued on July 12, 2022 for fair value of $930,000) (completed).
- Successfully distributing the 6,000,000 shares issued on June 30 2021, to the shareholders of Puma. Record date set as June 17, 2022 and to be distributed on or before June 30, 2022 (completed on June 30, 2022).
- The Company shall use its best efforts to list the Company on the CSE at July 31, 2022 or such later date as may be agreed upon in writing by both parties (completed on July 26, 2022).

With the closing of the Puma Option Agreement, the Company maintains the following remaining conditions, in order to acquire and assume 100% interest in the Puma Projects:

- $2,300,000 payable at the Company's option in cash or common stock, over the three annual anniversaries of the closing of the Puma Option Agreement. To be satisfied over the next three anniversaries from closing. These installments are payable in common stock or cash, at the option of the Company.

Upon fulfilment of all the conditions of the Puma Agreement, the Company will acquire and assume 100% interest in the 13 tenure blocks contained in the Puma Option Agreement subject to certain agreements, rights and encumbrances.

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets (continued)

Royalties

The Puma Projects are subject to the following NSR Royalties:

Title	Royalty
Brunswick Card West	The Brunswick Card West Project is subject to a 2% NSR royalty, half of which can be bought back by the Company for $1,000,000, with the Company retaining a right of first refusal on the remaining royalty
Brunswick Card East	The Brunswick Card East Project is subject to a 2% NSR royalty, half of which can be bought back by the Company for $1,000,000, with the Company retaining a right of first refusal on the remaining royalty.
Murray Brook West	The Murray Brook Project is subject to a 2% NSR royalty, half of which can be bought back by the Company for $1,000,000, with the Company retaining a right of first refusal on the remaining royalty.
Legacy Project	The Legacy Project is subject to a 2% NSR, half of which can be bought back by the Company for $500,000. (“Legacy Royalties”)
Turgeon Project	The Turgeon Project is subject to a 2% NSR royalty on gold and silver and 1% NSR on any other saleable production, half of which can be bought back by the Company for $500,000.

The Chester Project is subject to the following royalty:

Title	Royalty
Chester Royalty	The Chester Royalty is subject to a 2% NSR royalty, half of which can be bought back by the Company for $1,000,000.
Chester EAB Royalty	The Chester EAB Royalty is subject to a 2% NSR royalty, half of which can be bought back by the Company for $1,000,000.
Big Sevogle Royalty	The Big Sevogle Royalty (7045) is subject to a 2% NSR royalty, half of which can be bought back by the Company for $1,000,000. The Big Sevogle Royalty (9026) is subject to a 2% NSR royalty, half of which can be bought back by the Company for $1,000,000.
Ross Royalty	The Ross Royalty is subject to a 2% NSR royalty, half of which can be bought back by the Company for $900,000, with a right of first refusal on the remaining royalty.
Brook Royalty	The Brook Royalty is subject to a 1% NSR royalty, which can be bought back for $1,000,000.
Northeast Royalty	The Northeast Royalty is subject to a 1% NSR royalty, which half can be bought back for $500,000.
Granges Royalty	The Granges Royalty is subject to a 1% NSR royalty, which half can be bought back for $500,000.
Puma Royalty	The Puma Royalty is subject to a 2% NSR royalty, of which half can be bought back by the Company for $1,000,000.

(Expressed in Canadian Dollars)

6. Related party transactions

Related party transaction

Key management includes current directors, CEO and President of the Company, the remuneration of key management personnel during the year period ended January 31, 2023 and 2022 is summarized below:

Three months ended January 31,	**2023**	**2022**
Salary paid to the CEO	$ 39,750	$ 32,917
Consulting fees paid to former directors and officers	-	70,063
Consulting fees to three directors	3,750	-
Consulting fee paid to the CFO of the company	15,735	3,090
Stock-based compensation	12,313	17,793
	$ 71,548	$ 123,863

As at January 31,2023, the Company owed to directors or their companies $8,065 (October 31, 2022 - $16,488) recorded in accounts payable and accrued liabilities, to related parties. These transactions took place in the normal course of business.

During the year ended October 31, 2022 the Company issued 1,600,000 stock options to directors, vesting over a period of up to 18 months. The fair value of $137,505 was determined using the Black-Scholes model – see Note 7. During the year ended October 31, 2022, $116,610 of stock-based compensation was recorded.

On November 1, 2021, the Company entered into a consulting arrangement with CXL Capital Inc. (“CXL”), a Company controlled by Mr. Lavoie, a former director. CXL is entitled to a consulting fee of $75,000 per year for a one year term only from November 1, 2021 to November 1, 2022. This agreement was never renewed and has since been terminated.

On November 1, 2021, the Company entered into a consulting arrangement with Terrella Capital Ltd. (“Terrella”), a Company controlled by Mr. Krasic, a former director. Terrella is entitled to a management fee of $75,000 per year for a one year term only from November 1, 2021 to November 1, 2022. This agreement was never renewed and has since been terminated.

On November 1, 2021, the Company entered into a consulting arrangement with Hypercap Ltd. (“Hypercap”), a Company controlled by Mr. Perras, a former director. Hypercap is entitled to consulting fees of $75,000 per year for a one year term only from November 1, 2021 to November 1, 2022. This agreement was never renewed and has since been terminated.

7. Share capital

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Issued and outstanding - Common Shares

As at January 31, 2023, the issued share capital is comprised of 70,555,000 (October 31, 2022 - 66,475,000) common shares.

6,750,000 shares were held in escrow as at October 31, 2022 and are subject to a 36-month contractual escrow release period from their respective issuance, as follows: 10% on or before the listing and listing shares are issued and afterwards 15% every six months after the listing and issuance of listing shares.

i) Shares issued during the three months ended January 31, 2023

On December 20, 2022, the Company closed a private placement consisting of 4,080,000 flow-through shares (the "FT Shares") at a price of C$0.10 per FT Share for aggregate gross proceeds of $408,000 (the "FT Offering"). There were no warrants issued as part of this financing. The Company paid finder's fees to certain arm's-length third parties consisting of a cash commission of up to 7% of the gross proceeds of the FT Offering and other issuance costs for an aggregate amount of $13,336. Certain directors and other insiders of the Company participated in the FT Offering and subscribed into the FT Offering for the maximum amount permissible under applicable securities laws and regulatory rules, acquiring an aggregate of 100,000 FT Shares. The Company recorded $61,200 flow-through liability on the date of issuance. During the three months ended January 31, 2023, the Company incurred qualifying expenditures of $52,307 and recorded a reversal of flow-through liability of $7,846.

ii) Shares issued during the year ended October 31, 2022

On January 19, 2022 the Company completed a private placement and issued 5,475,000 units at a price of $0.25 per unit for gross proceeds of $1,368,750. Each unit was comprised of one common share and one half of a common share purchase warrants. Each whole warrant can purchase one common share at a price of $0.40 per warrant until January 19, 2025. In connection with the private placement, the Company paid $2,450 cash finders' fee. An amount of $1,204,500 was allocated to the Share Capital, and an amount of $164,250 was allocated to the Contributed Surplus.

On January 10, 2022, the Company issued 2,500,000 shares as performance warrants were exercised at $0.02 per performance warrant for gross proceeds of $50,000.

On July 12, 2022, the Company issued 6,000,000 common shares at a price of $0.16 per share pursuant to the terms of an option agreement (Note 5) with a fair value of 930,000. 6,000,000 shares were held in escrow as at October 31, 2022 and are subject to a 36-month contractual escrow release period from their respective issuance, as follows: 10% in November 2022 and 15% in January 2023 and afterwards 15% every six month.

(Expressed in Canadian Dollars)

7. Share capital (continued)

(b) Issued and outstanding - Common Shares (continued)

Performance warrants

	Number of performance warrants outstanding	Weighted average exercise price ($)
Balance, October 31, 2021	2,500,000	0.02
Exercised	(2,500,000)	0.02
Balance, January 31, 2022, October 31, 2022 and January 31, 2023	-	-

On May 13, 2021, the Company issued 2,500,000 performance warrants that vested upon the successful completion of a private placement raising gross proceeds of $750,000. The performance warrants expire five years from the date of issuance and is exercisable at $0.02 per performance warrant.

On January 10, 2022, the Company issued 2,500,000 shares of the Company, pursuant to 2,500,000 performance warrant exercised for gross proceeds of $50,000.

Upon initial recognition, the fair value of the performance warrants was $27,073. The fair value of the performance warrants granted was estimated using the Black Scholes Option Pricing Model and based on the following assumptions: Share price - $0.02; Exercise price - $0.02; expected life – 5 years, volatility – 65% and risk-free rate of $0.76%.

The Company estimated the volatility of shares of similar companies and the expected life and the exercise period of warrants granted.

(Expressed in Canadian Dollars)

7. Share capital (continued)

Warrants

	Period ended January 31, 2023		Year ended October 31, 2022	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Opening	2,737,500	$ 0.40	-	$ -
Issued	-	-	2,737,500	0.40
Ending	2,737,500	$ 0.40	2,737,500	$ 0.40

As at January 31, 2023, the Company had the following warrants outstanding:

Expiry date	Warrants outstanding	Exercise price ($)	Weighted average remaining life (years)
January 19, 2025	2,737,500	0.40	1.97

Stock options

On December 1, 2021, the Shareholders of the Company approved the Stock Option Plan, the “SOP”. The purpose of the SOP is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward those individuals from time to time for their contributions toward the long-term goals of the Company and to enable and encourage those individuals to acquire Common Shares as long-term investments. Upon becoming a reporting issuer, the Company will be required to obtain Shareholder approval of the SOP on a yearly basis in accordance with the policies of the CSE.

The Company grants stock options to directors, officers, employees and consultants and affiliates or any person deemed suitable by the board of directors, pursuant to its Incentive Share Option Plan, the “Plan”. The number of options that may be issued under the Plan is limited to no more than 10% of the Company’s issued and outstanding shares on the grant date. Options issued under the Plan vest in six equal quarterly releases over a period of 18 months from award date and must have a term equal to or less than 10 years after the shares have been listed on the CSE.

(Expressed in Canadian Dollars)

7. Share capital (continued)

Stock options (continued)

	Period ended January 31, 2023		Year ended October 31, 2022	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Opening	1,600,000	$ 0.156	-	$ -
Issued	-	-	1,600,000	0.156
Ending	1,600,000	$ 0.156	1,600,000	$ 0.156

As at January 31, 2023, the Company had the following stock options outstanding:

Expiry date	Number of options outstanding	Number of options exercisable	Exercise price ($)	Weighted average remaining life (years)
December 1, 2026	1,000,000	660,000	0.100	3.84
January 24, 2027	600,000	399,996	0.250	3.98
	1,600,000	1,059,996	0.156	3.95

The weighted average grant date fair value of options granted during the year ended October 31, 2022 was $0.086 (October 31, 2021 – $Nil). The weighted average remaining life of outstanding stock options as at January 31, 2023 is 3.95 years (October 31, 2022 – 4.14).

The fair value of stock options granted during the year ended October 31, 2022 of $137,505 was estimated using the Black-Scholes option pricing model using the following assumptions at grant date:

Weighted average share price	$ 0.156
Weighted average risk free interest rate	1.44%
Expected life (in years)	5.00
Expected volatility	65%
Dividend yield	-
Forfeiture rate	0%

The expected volatility assumption is based on the volatility of companies comparable in size and operations to the Company.

7. Share capital (continued)

Stock options (continued)

On December 1, 2021 the Company issued 1,000,000 stock options at $0.10 expiring in five years and 33% of these options vest after 3 months, 33% after one year and 34% after two years.

On January 24, 2022 the Company issued 600,000 stock options at $0.25 expiring in five years and vesting equally over six quarters to various directors of the Company.

During the three months ended Janaury 31, 2023, $12,313 (three months ended January 31, 2022 - $17,793) stock-based payments was recorded in the unaudited condensed interim statements of loss and comprehensive loss.

8. Management of capital

The Company defines capital as all accounts in equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern.

As at January 31, 2023, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company will continue to rely on capital markets to support continued growth. The Company is not subject to any externally imposed capital requirement.

9. Financial instrument and financial risk

The Company's financial instruments include cash and cash equivalent, subscription receivable, accounts payable and accrued liabilities. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Financial risk management objectives and policies:

The Company's financial instruments include cash and cash equivalents, subscription receivable and accounts payable and accrued liabilities. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(i) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalent. To minimize the credit risk on cash and cash equivalent, the Company places the instrument with a high credit quality financial institution.

(Expressed in Canadian Dollars)

9. Financial instrument and financial risk (continued)

(ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalent and to ensure that the Company has financing sources such as private placements for a sufficient amount.

Contractual maturities of accounts payable and accrued liabilities are less than one year.

In the current period, the Company has financed its acquisitions of exploration and evaluation assets and working capital needs through private financings consisting of issuance of common shares. Management estimates that the cash as at January 31, 2023 will be sufficient to meet the Company's needs for cash during the year ended October 31, 2023 (see Note 1).

(iii) Market risk

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's cash and cash equivalents attract interest at a variable interest rate and at a fixed interest rate. The interest of Canadian banking rates, are at present low

A change of 100 basis points in the interest rates would not be material to the financial statements. The Company does not have any liabilities with variable interest rates. As such, management has determined interest rate risk to be low.

10. Commitments

As at January 31, 2023, the Company has commitments to Marrelli Support Services Inc. for accounting and CFO services.

The Company has the following commitments:

	Years ended October 31, 2023	2024
Accounting services	$ 27,000	$ 27,000
CFO services	13,500	1,500
Total	40,500	28,500

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada). As at January 31, 2023, the Company is committed to incurring approximately $355,693 in qualifying exploration expenditures in Canada by December 31, 2023.