Condensed Consolidated Interim Financial Statements

For the Six Months Ended November 30, 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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 consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of iMetal Resources Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

iMetal Resources Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Notes		November 30, 2022		May 31, 2022
ASSETS					
Current					
Cash		$	983,709	$	1,984,495
Amounts receivable			49,209		19,359
Prepaids			38,000		67,191
			1,070,918		2,071,045
Non-current					
Exploration and evaluation assets	3		5,091,952		4,379,954
Equipment	4		7,199		8,469
TOTAL ASSETS		$	6,170,069	$	6,459,468
LIABILITIES					
Current					
Accounts payable and accrued liabilities		$	7,780	$	47,702
Due to related parties	5		43,511		-
Flow-through premium liability	8		53,526		187,291
Note payable	6		9,796		9,545
Total liabilities			114,613		244,538
SHAREHOLDERS' EQUITY					
Capital stock	7		46,195,894		46,179,894
Reserves	7		4,700,763		4,638,719
Deficit			(44,841,201)		(44,603,683)
Total shareholders' equity			6,055,456		6,214,930
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	6,170,069	$	6,459,468

Nature of operations and going concern – Note 1
Contingencies – Note 13
Subsequent events- Note 14

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on January 27, 2023. They are signed on the Company's behalf by:

"Scott Davis"	*"Saf Dhillon"*
Director	Director

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

iMetal Resources Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the Six Months Ended November 30,
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

		Three months ended November 30,		Six months ended November 30,	
	Notes	**2022**	**2021**	**2022**	**2021**
OPERATING EXPENSES					
Consulting	5	$ 77,142	$ 97,022	$ 156,185	$ 226,086
Depreciation	4	635	907	1,270	1,814
Interest		125	125	251	251
Marketing		31,750	34,000	69,500	90,267
Office and administration		17,798	6,825	29,453	24,050
Property investigation		3,000	-	4,191	-
Professional fees	5	14,115	26,104	20,207	49,431
Share-based payments	5&7	53,978	-	62,044	9,000
Transfer agent and listing fees		16,082	8,824	25,882	17,756
Travel and promotion		20,165	-	29,493	2,657
Loss from operations		(234,790)	(173,807)	(398,476)	(421,312)
OTHER ITEMS					
Amortization of flow-through premium liability	8	120,219	16,170	133,765	16,170
Gain on debt settlement	3&7	-	34,934	27,193	34,934
		120,219	51,104	160,958	51,104
Loss and comprehensive loss for the period		**$ (114,571)**	**$ (122,703)**	**$ (237,518)**	**$ (370,208)**
Loss per common share – basic and diluted		$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted		37,300,276	51,370,372	37,239,506	51,370,372

iMetal Resources Inc.
Condensed Consolidated Interim Statements of Cash Flows
For the Six Months Ended November 30,
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		$ (237,518)	$ (370,208)
Items not affecting cash:			
Gain on debt settlement		27,193	(34,934)
Depreciation	4	1,270	1,814
Interest expense	6	251	251
Share-based payments	7	62,044	9,000
Amortization of FT Premium liability	8	(133,765)	(16,170)
Changes in non-cash working capital items:			
Amounts receivable		(29,850)	11,595
Prepaids		29,191	67,701
Accounts payable and accrued liabilities		(24,345)	(147,260)
Due to related parties	5	(43,511)	(883)
Net cash used in operating activities		(349,040)	(479,094)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation assets		(651,746)	(139,497)
Net cash used in investing activities		(651,746)	(139,497)
Change in cash for the period		(1,000,786)	(618,591)
Cash, beginning of the period		1,984,495	882,471
Cash, end of the period		$ 983,709	$ 263,880

Supplemental cash flow Information (Note 12)

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

iMetal Resources Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Capital Stock				
	Number of shares	**Amount**	**Reserves**	**Deficit**	**Total**
Balance – May 31, 2021	**10,274,063**	**$ 42,926,281**	**$ 3,875,598**	**$ (42,946,992)**	**$ 3,854,887**
Share-based payments	-	-	9,000	-	9,000
Loss and comprehensive loss for the period	-	-	-	(370,208)	(370,208)
Balance – November 30, 2021	**10,274,063**	**$ 42,926,281**	**$ 3,884,598**	**$ (43,317,200)**	**$ 3,493,679**
Balance – May 31, 2022	**37,179,397**	**$ 46,179,894**	**$ 4,638,719**	**$ (44,603,683)**	**$ 6,214,930**
Shares issued for property acquisition	200,000	16,000			16,000
Share-based payments	-	-	62,044	-	62,044
Loss and comprehensive loss for the period	-	-	-	(237,518)	(237,518)
Balance – November 30, 2022	**37,379,397**	**$ 46,195,894**	**$ 4,700,763**	**$ (44,841,201)**	**$ 6,055,456**

On January 14, 2022, the Company consolidated its share capital on a ratio of one (1) new post-consolidated common share for every five (5) old pre-consolidated common shares. All shares and per share references in these consolidated financial statements have been retroactively restated accordingly unless noted otherwise.

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

1. Nature of Operations and Going Concern

The Company is engaged in the exploration and evaluation of mineral properties in Ontario and Quebec, Canada and has not yet determined whether these properties contain National Instrument 43-101 compliant ore reserves that are economically recoverable. The exploration programs undertaken and proposed constitute an exploratory search and the evaluation of historic resources. There is no assurance that the Company will be successful in its search and evaluation. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and evaluation programs planned by the Company will result in a profitable commercial mining operation. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts written-off, and do not necessarily represent present or future values. The recovery of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and evaluation of such a property or properties and ultimately upon future profitable production from a property or properties or the realisation of proceeds from the disposition thereof. At November 30, 2022, the Company has a working capital of $956,305 (May 31, 2022 - $1,826,507), incurred losses since inception and at November 30, 2022 has an accumulated deficit of $44,841,201 (May 31, 2022 - $44,603,683).

The Company requires additional funds to continue operations, to explore its mineral properties and to maintain its property interests. Management is actively seeking additional financing and, while it has successfully done this in the past, there is no assurance that it will continue to be able to do so in the future. These matters raise significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

On January 14, 2022, all issued and outstanding common shares of the Company were consolidated on a 5:1 basis. All references to share and per share amounts have been retroactively restated to reflect the share consolidation.

The head office, principal address, registered address and records office of the Company are located at 550, 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6. The Company's shares are traded on the Tier 2 of the TSX Venture Exchange ("TSX-V") under the symbol "IMR.V" and on the OTCQB under the symbol "ADTFF" as well as on Frankfurt Exchange under the symbol "A7V".

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, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. Significant Accounting Policies

Statement of Compliance

These condensed consolidated interim financial statements of the Company for the period ended November 30, 2022 have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. The significant accounting policies applied in these condensed consolidated interim financial statements are based on the IFRS issued and outstanding as of November 30, 2022.

2. Significant Accounting Policies (cont'd)

Basis of Presentation

These condensed consolidated interim financial statements have been prepared on a historical basis except for items at fair value and have been prepared using the accrual basis of accounting, except cash flow information. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

Basis of consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and the entities controlled by the Company. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated. These condensed consolidated interim financial statements include the accounts of iMetal Resources Inc. and its wholly-owned subsidiary Risorse Dei Minerali Naturali S.R.L ("RMN"), a company incorporated in the province of Grosseto, Italy.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of 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 and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Differences may be material.

Fair value of stock options and warrants

The fair value of stock options and brokers' warrants issued are subject to the limitation of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

2. Significant Accounting Policies (cont'd)

Significant Accounting Judgments, Estimates and Assumptions (cont'd)

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- the determination that the Company will continue as a going concern for the next year;
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable.

Foreign Currency Translation

The Company and its subsidiary's functional and reporting currency is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statement of loss and comprehensive loss.

Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

2. Significant Accounting Policies (*cont'd*)

Financial Instruments (*cont'd*)

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

2. Significant Accounting Policies (*cont'd*)

Exploration and Evaluation Assets and Expenditures

Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Currently, all mineral properties of the Company are at the exploration stage. Pre-exploration costs are expensed in the period in which they are incurred.

The Company records its interests in mineral properties at cost. Exploration expenditures relating to these interests are capitalized until the properties to which they relate are placed into production, sold or abandoned. These expenditures will be amortized over the estimated useful life of the related property using the unit-of-production basis following commencement of production, or written-off if the mineral properties are sold or abandoned. General exploration expenditures are expensed as incurred. The amounts shown for mineral properties represent costs to date, and do not necessarily represent future values as they are entirely dependent upon the economic recovery of current and future reserves.

The Company reviews capitalized costs on its mineral properties on a periodic basis and will recognize impairment in value based upon current exploration or production results, if any, and upon management's assessment of the future probability of profitable revenues from the property or from sale of the property. Management's assessment of the property's estimated current fair market value is also based upon management's review of other property transactions that have occurred in the same geographic area as its properties.

The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

Exploration costs renounced due to flow-through share subscription agreements remain capitalized, however, for corporate income tax purposes; the Company has no right to claim these costs as tax deductible expenses.

Equipment

Equipment is recorded at cost, including betterment and renewals subsequent to acquisition, less accumulated depreciation. When equipment is sold or abandoned, the recorded costs and related accumulated depreciation are removed from the accounts and any gains or losses are included in the determination of net earnings. Repairs and maintenance are recorded as an expense as incurred.

Vehicle depreciation is calculated on the declining balance method at the rate of 30% per annum.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash at banks and on hand, short-term deposits with an original maturity of three months or less, and bank overdrafts. As at November 30, 2022 and 2021, the Company did not have any cash equivalents.

Share Capital

Common shares issued for non-monetary consideration are recorded at their fair market value based upon the trading price of the Company's shares on the TSX Venture Exchange on the date of share issuance.

Flow-through shares are common shares which are issued under an agreement that, as provided for in the Canadian Income Tax Act, the Company transfers to the purchaser of the shares the tax benefits of the exploration expenditures that are financed by the proceeds of the share issue.

2. Significant Accounting Policies (*cont'd*)

Share-based Payments

Obligations for issuance of common shares to directors, officers and consultants under the Company's share-based compensation plan are accrued over the vesting period using fair values. Fair values are determined at issuance using the Black Scholes option-pricing model, taking into account a nominal forfeiture rate, and are recognized as share-based compensation with a corresponding credit to reserves. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital. In the event that stock options, and agents' options and warrants, are not exercised, the fair value of those options and warrants is not removed from the reserves.

Stock options granted to non-employees are measured at the fair value of goods or services rendered or at the fair value of the instruments issued, if it is determined that the fair value of the goods or services received cannot be reliably measured. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Warrants issued to brokers are measured at their fair value on the vesting date and are recognized as a deduction from equity and credited to reserves. The fair value of stock options and warrants issued to brokers are estimated using the Black-Scholes option pricing model. Any consideration received on the exercise of stock options and/or warrants, together with the related portion of reserves, is credited to share capital.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore its exploration and evaluation assets. These equity financing transactions may involve the issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants ("Warrants"). Depending on the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the agreement. Warrants that are part of units are valued based on the residual value method. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

The Company accounts for and measures deferred income tax assets and liabilities in accordance with the liability method under which deferred income tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance is provided for the amount of the potential future benefit not expected to be realized. The Company has taken a valuation allowance for the full amount of all potential deferred tax assets.

2. Significant Accounting Policies (*cont'd*)

Earnings (Loss) per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Flow-Through Financing

The Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is initially recorded as a flow-through tax liability. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through tax liability is reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

Restoration and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profit or loss as extraction progresses. The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

New accounting standards and policies

IAS 16, Property, Plant and Equipment - Proceeds before Intended Use

Effective for periods beginning on or after January 1, 2022, the amendment to IAS 16 prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in profit or loss. The Company does not expect the adoption of this new amendment to have a significant impact on the condensed consolidated interim financial statements.

IAS 37, Provisions, Contingent Liabilities and Contingent Assets

Effective for periods beginning on or after January 1, 2022, the changes in Onerous Contracts — Cost of Fulfilling a Contract specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the adoption of this new amendment to have a significant impact on the condensed consolidated interim financial statements.

(Expressed in Canadian Dollars)

3. Exploration and Evaluation Assets

	Gowganda West	Ghost Mountain	Kerrs Gold	Mosher Lake	Carheil	Temagami North	Other Properties	Total
Balance – May 31, 2021	**$ 2,310,137**	**$ 164,176**	**-**	**$ 278,731**	**$ 370,547**	**$ 7,162**	**$ 7,893**	**3,138,646**
Acquisition costs:	-	475	1,005,000	-	-	-	-	1,005,475
Exploration costs:								
Assays, staking and mapping	14,561	-	651	-	-	-	-	15,212
Consulting	47,685	36,282	880	-	-	-	-	84,847
Equipment rental and field work	27,599	-	-	-	-	-	-	27,599
Geological/Geophysical	90,549	-	700	-	-	-	2,897	94,146
Office, miscellaneous and travel	20,491	-	-	-	-	-	-	20,491
Rent	700	-	-	-	-	-	-	700
Write off property	-	-	-	-	-	(7,162)	-	(7,162)
	201,585	36,757	1,007,231	-	-	(7,162)	2,897	1,241,308
Balance – May 31, 2022	**$ 2,511,722**	**$ 200,933**	**$1,007,231**	**$ 278,731**	**$ 370,547**	**$ -**	**$ 10,790**	**$ 4,379,954**
Acquisition costs:	4,960	-	16,000	-	-	-	-	20,960
Exploration costs:								
Assays, staking and mapping (recovery)	17,020	500	-	-	500	-	-	18,020
Consulting	131,276	10,844	64,084	144	400	-	144	206,892
Drilling	446,058	-	-	-	-	-	-	446,058
Geological/Geophysical	4,386	-	-	-	-	-	-	4,386
Office, miscellaneous and travel	7,199	83	-	-	-	-	-	7,282
Rent	8,000	-	-	-	-	-	-	8,000
	618,899	11,427	80,484	144	900	-	144	711,998
Balance – November 30, 2022	**$ 3,130,621**	**$ 212,360**	**$1,087,715**	**$ 278,875**	**$ 371,447**	**$ -**	**$ 10,934**	**$ 5,091,952**

3. Exploration and Evaluation Assets *(cont'd)*

Ontario, Canada

Gowganda West Property

During the year ended May 31, 2017, the Company entered into an option agreement for mineral properties in Gowganda, Ontario. The option agreement included cash payments totalling $200,000 and share issuances totalling 80,000 common shares.

During the year ended May 31, 2021, the Company amended the residual Net Smelter Return (NSR) royalties to the underlying property vendors for the Gowganda West, Mosher Lake and Ghost Mountain properties:

- Gowganda West NSR remains at 3% with the Company now holding the option to buy back 50% reducing the NSR to 1.5% at any time up to production for $1,000,000;
- Mosher Lake NSR remains at 2% with the Company now holding the option to buy back 50% reducing the NSR to 1.0% at any time up to production for $1,000,000;
- Ghost Mountain NSR remains at 3% with the Company now holding the option to buy back 50% reducing the NSR to 1.5% at any time up to production for $1,000,000;

Each of the four underlying property vendors agreed to modify the existing NSR agreements to the new terms in exchange for a cash payment of $5,000 (paid) and the issuance of 30,000 (issued) common shares of the Company to each.

Ghost Mountain Property

During the year ended May 31, 2021, the Company acquired the substantial ownership of Ghost Mountain Property as per the amended option agreement mentioned in Note 3 *Gowganda West Property.*

Mosher Lake Property

During the year ended May 31, 2021, the Company acquired the substantial ownership of Mosher Lake Property as per the amended option agreement mentioned in Note 3 *Gowganda West Property.*

(Expressed in Canadian Dollars)

3. Exploration and Evaluation Assets *(cont'd)*

Ontario, Canada *(cont'd)*

Kerrs Gold Property

On January 24, 2022, the Company entered into a purchase option agreement (the "Option Agreement") with Gravel Ridge Resources Ltd. And 1544230 Ontario Inc. (collectively, the "Vendors") pursuant to which it would be granted the right to acquire the Kerrs Gold Deposit ("Deposit").

To acquire the Deposit, the Company was required to issue 3,500,000 common shares (the "Consideration Shares") and complete a series of four cash payments totaling $210,000 to the Vendors. The transaction details as below:

Due date	Cash	Common shares
Upon receipt of the TSX Venture Exchange's approval on April 1, 2022	$ 60,000 (paid)	3,500,000 (issued)
On April 1, 2023	$50,000	-
On April 1, 2024	$40,000	-
On April 1, 2025	$60,000	-

Following completion of the above cash payments and share issuances, the Company acquired the Deposit and granted to the Vendors a three percent royalty (the "Royalty") on net smelter returns from the Deposit. The Company may acquire 2% of the Royalty from the Vendors at any time by completing a one-time cash payment of $2,000,000.

On September 28, 2022, the Company further completed and expanded its existing option agreement with Gravel Ridge Resources Ltd. And 1544230 Ontario Inc. (collectively, the "Vendors") to expand the scope of the Kerrs Gold Deposit by acquiring an additional 137 hectares of the Property. As a result of the extension of acquisition, the Company issued the Vendors a further 200,000 common shares at a fair market value of $16,000 and reimbursed the Vendor for the expenses of $48,130 associated with maintaining the additional area.

Temagami North Property

The Company holds several claims on the Temagami North Property. During the year ended May 31, 2022, the Company terminated the option with the underlying concession holder and has no further obligation with respect to the project. There were $7,192 in historical capitalized costs associated with this project which were written off during the year ended May 31, 2022.

(Expressed in Canadian Dollars)

3. Exploration and Evaluation Assets *(cont'd)*

Quebec, Canada

Carheil Property

During the year ended May 31, 2016, the Company acquired mineral properties (43 claims) in Quebec from Skyworld Holdings Limited ("Skyworld"). The terms of the acquisition include:

- Skyworld would receive $15,000 upon signing of a definitive agreement (paid);
- Skyworld would receive $10,000 each year for five years for a total of $50,000 starting in the year following the year of the initial $15,000 payment and the signing of the definitive agreement (paid in full);
- The Company would issue 16,000 shares to Skyworld upon the closing of the transaction (issued at a value of $20,000);
- The Company would issue 20,000 additional shares per year each year for three years for a total of 60,000 shares, starting in the year following the year after the closing of the transaction (issued in full at a value of $75,000); and
- Finder's fees were paid by issuing 7,600 shares valued at $9,500 to an arm's length third party in connection with this transaction.

During the year ended May 31, 2018, the Company renewed the 54 claims to August 2020 and during the year ended May 31, 2019, the Company renewed the 54 claims to August 2023.

4. Equipment

		Vehicle
Cost:		
Balance at May 31, 2021 and 2022 and November 30, 2022	$	29,046
Accumulated depreciation:		
Balance at May 31, 2021	$	(16,949)
Amortizations		(3,628)
Balance at May 31, 2022	$	(20,577)
Amortizations		(1,270)
Balance at November 30, 2022	$	(21,847)
Carrying amount:		
May 31, 2022	$	8,469
November 30, 2022	$	7,199

5. Related Party Transactions

The Company incurred expenses to related parties during the six months ended November 30, 2022 as follows:

- $Nil (2021 - $55,000) in consulting fees to a company owned by a director of the Company.
- $105,000 (2021 - $72,000) in consulting fees to a company controlled by the Company's chief executive officer and director of the Company.
- $30,701 (2021- $30,000) in consulting fees capitalized to exploration and evaluation assets to a company controlled by a director of the Company.
- $Nil (2021 - $20,250) in professional fees to a firm previously providing accounting and corporate secretary services where an officer and director of the Company is a partner.
- $6,000 (2021 - $6,000) in consulting fees to a company controlled by an officer of the Company.
- $78,000 (2021 - $nil) in consulting fees, $75,000 capitalized to exploration and evaluation assets and $3,000 expensed to mineral property investigation expenses to a company controlled by an officer of the Company.

As at November 30, 2022, the Company owed $26,250 (2021 – $5,250) to a company controlled by a director of the Company.

As at November 30, 2022, the Company owed $16,950 (2021 – $nil) consulting fees and $311 (2021 – $nil) as expense reimbursement to a company controlled by an officer of the Company.

Amounts owing to or from related parties are non-interest bearing and due on demand.

During the period ended November 30, 2022, the Company issued 500,000 (May 31, 2022 -1,600,000) stock options with a fair value of $27,059 (May 31, 2022- $323,201) to related directors and officers of the Company. During the period ended November 30, 2022, $62,044 in total (May 31, 2022 - $412,121) has been included in share-based compensation.

6. Note Payable

In March 2013, the Company entered into a promissory note for $5,000 that accrues interest at 10% per annum. As at November 30, 2022, the Company had recorded interest payable of $4,796 (May 31, 2022 - $4,545) and recognized and accrued $251 interest expense.

7. Equity

a) Share capital

Authorized share capital consists of an unlimited number of common shares without par value.

As at November 30, 2022, the Company had 37,379,397 shares issued and outstanding.

During the period ended November 30, 2022, the Company:

- Issued 200,000 common shares at a fair value of $16,000 for the property acquisition of Kerrs Gold Property (Note 3).

7. Equity *(cont'd)*

a) Share capital (cont'd)

During the year ended May 31, 2022, the Company:

- Settled $54,643 of debt by the issuance of 72,000 common shares with a value of $14,400 from the date of issuance at a price of $0.20 per share and a cash payment of $15,000, resulting in a gain on debt settlement of $25,243.

- Issued 3,500,000 common shares at a fair value of $945,000 for the property acquisition of Kerrs Gold Property (Note 3).

- Completed its non-brokered private placement by issuing 16,666,667 units for gross proceeds of $2,000,000. Each unit consists of one common share and one share purchase warrant exercisable for a period of 24 months from the date of issue at a price of $0.20 per share. The Company paid cash finder's fees of $127,744 and issued an aggregate total of 1,064,533 finder's warrants at a fair value of $290,000 under the same terms upon closing of the financing.

- Completed its non-brokered flow-through private placement by issuing 6,666,667 units for gross proceeds $1,000,000. Each unit consists of one flow-through common share and one share purchase warrant exercisable for a period of 24 months from the date of issue at a price of $0.20 per share. The private placement included participation by Funds Managed by Sprott Asset Management LP, which subscribed for flow-through units and agreed to waive entitlement to 2,644,669 warrants they would otherwise have been entitled to receive in connection with their subscription. As a result, a total of 4,021,998 warrants were issued to subscribers in connection with the private placement. The Company incurred finders' fees totaling $33,804 and issued 225,360 finders' warrants with a fair value of $61,000 under the same terms upon closing of the financing. A flow through premium liability of $193,239 was recognized with respect to these flow through shares. Please refer to Note 8 for the details of flow through premium liability.

b) Share purchase options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, officers, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the option price of any common share in respect of which an option may be granted under the stock option plan shall be fixed by the Board of Directors but shall be not less than the minimum price permitted by the Exchange. The options vest immediately at the time of grant.

During the period ended November 30, 2022, the Company granted 850,000 (May 31, 2022 - 2,170,000) stock options at a weighted average exercise price of $0.075 (May 31, 2022 - $0.20) per share and recorded share-based payments of $46,000 (May 31, 2022 – $412,121).

(Expressed in Canadian Dollars)

7. Equity *(cont'd)*

b) Share purchase options *(cont'd)*

The continuity of share purchase options is as follows:

	Outstanding Options	Weighted Average Exercise Price $
Balance, May 31, 2021	639,000	0.81
Granted	2,170,000	0.20
Expired	(50,000)	0.90
Balance, May 31, 2022	2,759,000	0.33
Granted	850,000	0.08
Expired	(84,000)	1.08
Balance, November 30, 2022	3,525,000	0.33

At November 30, 2022, the following incentive stock options were outstanding to directors, officers and consultants:

Number of Options Outstanding	Exercise Price $	Weight Average remaining in years	Expiry Date	Number of Options Exercisable
4,000	1.875	0.35	April 8, 2023	4,000
12,000	1.875	0.50	May 31, 2023	12,000
2,000	2.125	0.52	June 8, 2023	2,000
507,000	0.700	2.97	November 18, 2025	507,000
2,000,000	0.330	4.36	April 8, 2027	2,000,000
150,000	0.380	4.37	April 14, 2027	94,521
850,000	0.075	4.83	September 28,2027	850,000
3.525,000				3,469,521

The weighted average remaining life of the options at November 30, 2022 is 4.25 years (May 31, 2022 – 4.47 years).

(Expressed in Canadian Dollars)

7. Equity *(cont'd)*

b) Share purchase options *(cont'd)*

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended November 30, 2022:

	Period ended November 30, 2022	Year ended May 31, 2022
Risk-fee interest rate	1.52%	1.36%
Expected life of options	5 years	1 year
Expected annualized volatility	150.33%	154.15%
Expected dividend rate	-	-
Fair value per option	$0.054	$0.20

c) Warrants

The continuity of share purchase warrants for the period ended November 30, 2022 is as follows:

	Outstanding Warrants	Weighted Average Exercise Price $
Balance, May 31, 2021	5,713,401	1.05
Granted – warrants	21,978,558	0.20
Expired- warrants	(177,140)	2.50
Balance, May 31, 2022	27,514,819	0.35
Expired- warrants	(3,687,245)	1.00
Balance, November 30, 2022	23,827,574	0.26

At November 30, 2022, the following warrants were outstanding:

Number of Warrants	Weight Average remaining in years	Exercise Price ($)	Expiry Date
160,000	0.02	1.00	December 9, 2022
4,800	0.02	1.00	December 9, 2022
39,036	0.23	1.00	February 23, 2023
1,540,000	0.50	1.00	May 31, 2023
97,580	0.50	1.00	May 31, 2023
7,600	0.50	1.00	May 31, 2023
16,666,667	1.35	0.20	April 7, 2024
4,021,998	1.35	0.20	April 7, 2024
1,064,533	1.35	0.20	April 7, 2024
225,360	1.35	0.20	April 7, 2024
23,827,574			

The weighted average remaining life of the warrants at November 30, 2022 is 1.28 years (May 31, 2022– 1.59 years).

(Expressed in Canadian Dollars)

7. Equity *(cont'd)*

c) Warrants *(cont'd)*

The following weighted average assumptions were used for the Black-Scholes valuation of finders' warrants granted for the period ended November 30, 2022:

	Period ended November 30, 2022	**Year ended May 31, 2022**
Risk-fee interest rate	-	0.55%
Expected life of warrants	-	2
Expected annualized volatility	-	170.02%
Expected dividend rate	-	-
Fair value per option	-	0.27

8. Flow through share premium liability

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuance.

Balance at May 31, 2021	**$**	**16,170**
Premium liability incurred on flow-through shares		193,239
Amortization of flow-through liability		(22,118)
Balance at May 31, 2022	**$**	**187,291**
Amortization of flow-through liability		(133,765)
Balance at November 30, 2022	**$**	**53,526**

9. Segmented Information

The Company currently conducts all of its operations in Canada in one business segment being the acquisition and exploration of resource properties.

10. Capital Management

The Company defines its capital as all components of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to managing capital during the period.

11. Financial Instruments and Financial Risk Factors

Financial instruments

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

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

The fair value hierarchal classification of the Company's financial instruments measured at fair value for the period ended November 30, 2022 is as follows:

November 30, 2022	Level 1	Level 2	Level 3	Total
Cash	$ 983,709	$ -	$ -	$ 983,709

May 31, 2022	Level 1	Level 2	Level 3	Total
Cash	$ 1,984,495	$ -	$ -	$ 1,984,495

Cash is measured using Level 1 inputs. The Company does not have any financial instruments that are measured using Level 2 or Level 3 inputs. During the period ended November 30, 2022, there were no transfers between Level 1, Level 2, and Level 3 classified assets and liabilities.

The Company's financial instruments are exposed to certain financial risks, including liquidity risk and foreign exchange risk. The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, note payable and due to related parties. The fair value of these financial instruments approximates their carrying values due to their short term to maturity.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. To the extent that the Company does not believe it has sufficient liquidity to meet obligations, it will consider securing additional equity funding, or engage in negotiations to extend terms with creditors. The Company manages liquidity risk through the management of its capital structure (see Note 10).

Foreign Exchange Risk

The Company raises its capital in Canadian dollars. The Company holds its cash mainly in Canadian dollars. The Company minimizes its exposure to foreign currency risk by minimizing the amount of funds in currencies other than the Canadian dollar. The Company does not undertake currency hedging activities. The Company continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

(Expressed in Canadian Dollars)

12. Supplemental Cash Flow Information

	Period ended November 30, 2022	Year ended May 31, 2022
Non-Cash Investing and Financing Activities:		
Finders' warrants issued in private placement	$ -	$ 351,000
Common shares issued pursuant to mineral property agreements	$ 16,000	$ 945,000
Accounts payable included in exploration and evaluation assets	$ 44,252	$ 6,608
Gain on debt settlement	$ 27,193	$ 60,177
Shares issued to settle debt	$ -	$ 14,400

13. Contingencies

During the year ended May 31, 2020, the Company received a lawsuit in the Supreme Court of British Columbia from a shareholder citing that the Company terminated a consulting agreement between the shareholder and the Company and is seeking damages for breach of contract. However, in the opinion of management, the claim is without merit and the outcome is unknown. No provision has been recorded for this lawsuit.

14. Subsequent Events

On December 30, 2022, the Company completed its non-brokered flow-through private placement ("Non-brokered FTPP") by issuing 2,150,000 units for gross proceeds $602,000. The Company incurred finders' fees totaling $42,140 and issued 150,500 finders' warrants with a fair value of $20,000 upon closing of the financing. The finders' warrants are exercisable at a price of $0.35 until December 30, 2024. All securities issued in connection with the Non-brokered FTPP are subject to a statutory hold period until May 1, 2023 in accordance with applicable securities laws. A flow through premium liability of $99,975 was recognized with respect to these flow through shares.

On January 4, 2023, the Company granted 200,000 stock options to a director of the Company with a fair value of $43,000 at the date of grant. The options vest immediately and are exercisable at $0.24 per share for a period of five years from the date of grant.

On January 12, 130,000 common shares were issued pursuant to the exercise of 130,000 warrants at a price of $0.20 per share for gross proceed $26,000.