BOUNDARY GOLD AND COPPER MINING LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2023 AND 2022

(Unaudited)
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF 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 interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated 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 by the Chartered Professional Accountants of Canada for a review of the interim consolidated financial statements.

BOUNDARY GOLD AND COPPER MINING LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
AS AT FEBRUARY 28, 2023 and AUGUST 31, 2022

		February 28, 2023 (unaudited)		August 31, 2022 (audited)
ASSETS				
Current assets				
Cash	$	200,111	$	102,216
Marketable securities (Note 3)		-		88,036
		200,111		190,252
Non-current assets				
Reclamation bonds (Note 6)		79,700		79,700
Exploration and evaluation assets (Note 6)		645,957		645,957
		725,657		725,657
TOTAL ASSETS	$	925,768	$	915,909
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)				
Current liabilities				
Accounts payable (Note 14)	$	876,988	$	830,334
Accrued liabilities		-		25,617
Accounts payable to related parties (Note 7)		39,522		27,508
Loans payable (Note 4)		105,164		15,000
Lease liability (Note 5)		-		4,271
		1,021,674		902,730
Shareholders' equity (deficiency)				
Share capital (Note 8)		64,900,082		64,900,082
Share-based payment reserve (Note 8)		5,355,200		5,355,200
Deficit		(70,351,188)		(70,242,103)
		(95,906)		13,179
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	$	925,768	$	915,909

Nature and continuance of operations (Note 1)

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

Russell Van Skiver Director *David Jenkins* Director

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

BOUNDARY GOLD AND COPPER MINING LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian dollars)
FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2023 AND 2022

	Three months ended February 28, 2023	Three months ended February 28, 2022	Six months ended February 28, 2023	Six months ended February 28, 2022
General and administrative expenses				
Accounting and audit	$ 2,105	$ 2,105	$ 2,105	$ 2,105
Consulting fees (Note 7)	15,000	15,000	30,000	70,000
Interest and bank charges (Notes 4 and 5)	494	397	509	687
Legal	7,906	911	8,870	1,411
Management and directors' fees (Note 7)	19,500	18,000	49,496	36,333
Office and miscellaneous	9,816	4,148	9,816	7,035
Shareholder communications	-	222	8,101	222
Transfer agent and regulatory fees	8,860	9,697	13,725	11,745
Travel and related costs	-	11,669	259	11,669
	(63,681)	(62,149)	(122,881)	(141,207)
Other items				
Broker fees (Note 3)	(2,315)	(1,565)	(2,515)	(3,235)
Unrealized gain (loss) on marketable securities (Note 3)	38,735	75,319	82,766	(278,632)
Realized loss on marketable securities (Note 3)	(76,180)	(23,847)	(77,170)	(29,099)
Gain on lease modification (Note 5)	-	-	10,715	-
	(39,760)	49,907	13,796	(310,966)
Net loss and comprehensive loss for the period	$ (103,441)	$ (12,242)	$ (109,085)	$ (452,173)
Basic and diluted loss per common share (Note 9)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding (Note 9)	31,567,112	31,567,112	31,567,112	31,567,112

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

BOUNDARY GOLD AND COPPER MINING LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian dollars)
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (109,085)	$ (452,173)
Items not affecting cash:		
Accrued interest	164	207
Unrealized (gain) loss on marketable securities	(82,766)	278,632
Loss on sale of West shares, including broker fees	79,685	32,334
Gain on lease modification	(10,715)	-
Changes in non-cash working capital items:		
Decrease in prepaid expenses and deposits	-	4,426
Increase in accounts payable and accrued liabilities	27,481	75,222
Increase (decrease) in accounts payable to related parties	12,014	(54,240)
Net cash used in operating activities	(83,222)	(115,592)
CASH FLOWS FROM INVESTING ACTIVITY		
Proceeds from sale of marketable securities	91,117	193,360
Net cash provided by investing activity	91,117	193,360
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	100,000	-
Repayments of loan	(10,000)	-
Payment of lease liability	-	(6,445)
Net cash provided by (used in) financing activities	90,000	(6,445)
Net change in cash during the period	97,895	71,323
Cash, beginning of period	102,216	134,119
Cash, end of period	$ 200,111	$ 205,442

Supplemental disclosure with respect to cash flows (Note 12)

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

BOUNDARY GOLD AND COPPER MINING LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited - Expressed in Canadian dollars)
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2023 AND 2022

	Number of Shares	Share Capital	Share Based Payment Reserve	Deficit	Total Shareholders' Equity (Deficiency)
Balance, August 31, 2021	**31,567,112**	**$ 64,900,082**	**$ 5,355,200**	**$ (69,561,925)**	**$ 693,357**
Loss and comprehensive loss for the period	-	-	-	(452,173)	(452,173)
Balance, February 28, 2022	**31,567,112**	**$ 64,900,082**	**$ 5,355,200**	**$ (70,014,098)**	**$ 241,184**
Balance, August 31, 2022	**31,567,112**	**$ 64,900,082**	**$ 5,355,200**	**$ (70,242,103)**	**$ 13,179**
Loss and comprehensive loss for the period	-	-	-	(109,085)	(109,085)
Balance, February 28, 2023	**31,567,112**	**$ 64,900,082**	**$ 5,355,200**	**$ (70,351,188)**	**$ (95,906)**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Boundary Gold and Copper Mining Ltd. (the "Company") was incorporated under the Business Corporations Act (Alberta) on August 16, 1996. The Company is a resource exploration company focused on acquiring and exploring resource properties. The Company's shares are listed on the TSX Venture Exchange. The Company's head office and registered and records office address is Suite 400 – 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

These condensed interim consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company incurred a net loss of $109,085 for the six months ended February 28, 2023. At February 28, 2023, the Company had a working capital deficit of $821,563, had not yet achieved profitable operations and has an accumulated deficit of $70,351,188 since its inception. The Company expects to incur further losses in the development of its business, all of which cast significant doubt on the Company's ability to continue as a going concern. The Company will require additional financing in order to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these condensed interim consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these condensed interim consolidated financial statements.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements for the six months ended February 28, 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not included disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's August 31, 2022 annual consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations. The condensed interim consolidated financial statements have been prepared under the historical cost convention.

The condensed interim financial statements have been prepared using accounting policies consistent with those used in the Company's August 31, 2022 annual consolidated financial statements.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 1, 2023.

Basis of consolidation

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

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

2. BASIS OF PREPARATION (cont'd…)

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

The principal subsidiary of the Company as of February 28, 2023 is as follows:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest February 28, 2023	Ownership Interest August 31, 2022
Scion Mines S.A. de C.V. ("Scion")	Mineral exploration	Mexico	100%	100%

Foreign currency translation

The presentation currency of the financial statements is the Canadian dollar. The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the group. The Company considers the functional currency for itself and its subsidiary to be the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21, *the Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the date of transaction. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation of foreign operations with functional currencies different from the presentation currency are included in the statement of comprehensive loss.

The assets and liabilities of the Company's subsidiaries which have functional currencies different from the presentation currency of the Company are translated to the presentation currency at the rate of exchange in effect at the financial reporting period end; revenue and expenses are translated at average exchange rates. All resulting exchange gains or losses are included in the statement of comprehensive loss.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("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.

2. BASIS OF PREPARATION (cont'd…)

Financial instruments (cont'd…)

The following table shows the classification of financial instruments under IFRS 9:

Financial assets/liabilities	IFRS 9 Classification
Cash	FVTPL
Marketable securities	FVTPL
Accounts payable	Amortized cost
Accounts payable to related parties	Amortized cost
Loans payable	Amortized cost

Measurement

Financial assets at FVTOCI

Elected investments in equity investments 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 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.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the consolidated statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the consolidated statements of net loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognized 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's credit risk 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 consolidated statements of net 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 consolidated statements of comprehensive net loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

2. BASIS OF PREPARATION (cont'd…)

Financial instruments (cont'd…)

Derecognition (cont'd…)

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 consolidated statements of comprehensive net loss.

Revenue from contracts with customers

The revenue standard applies a single principles-based, five-step model for the recognition of revenue when control of goods is transferred to, or a service is performed for, the customer. IFRS 15 also requires enhanced disclosures about revenue to help users better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

Assets held for sale

Judgement is required in determining whether an asset meets the criteria for classification as "assets held for sale" in the consolidated statements of financial position. Criteria considered by management include the existence of and commitment to a plan to dispose of the assets, the expected selling price of the assets, the expected timeframe of the completion of the anticipated sale and the period of time any amounts have been classified within assets held for sale. The Company reviews the criteria for assets held for sale each quarter and reclassifies such assets to or from this financial position category as appropriate. In addition, there is a requirement to periodically evaluate and record assets held for sale at the lower of their carrying value and fair value less costs to sell.

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

2. BASIS OF PREPARATION (cont'd…)

Cash

Cash is comprised of cash on hand and demand deposits.

Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred. All costs related to the acquisition, and exploration of mineral properties are capitalized by property until the commencement of commercial production. Properties that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units ("CGU") for the purpose of determining future mineral reserves and impairments.

Management reviews the capitalized costs on its exploration and evaluation assets at least annually to consider if there is an impairment value to take into consideration from current exploration results and management's assessment of the future probability of profitable operations from the property, or likely gains from the disposition or option of the property. If a property is abandoned, or considered to have no future economic potential, the acquisition and accumulated exploration and evaluation costs are written off to profit or loss. If the carrying value of a project exceeds its estimated value, an impairment provision is recorded.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the mineral property is considered to be a mine under development and is classified as "Mining Assets". Exploration and evaluation expenditures accumulated are also tested for impairment before the property costs are transferred to mining assets.

Impairment of long-lived assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there are any indicators of impairment. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the CGU to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset or CGU's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. Determining the discount rate includes appropriate adjustments for the risk profile of the country in which the individual asset or CGU operates.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the statement of comprehensive loss.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. Where an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortization or depletion) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of comprehensive income (loss).

2. BASIS OF PREPARATION (cont'd…)

Provision for environmental rehabilitation

The Company recognizes the liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets in the period when the liability arises. The net present value of future rehabilitation costs is capitalized to the long-lived asset to which it relates with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

The Company has no known restoration, rehabilitation or environmental costs related to its exploration and evaluation assets as at February 28, 2023.

Share-based payments

The Company grants stock options to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options granted is recorded using the graded attribution method. The fair value of stock options, as adjusted for the expected level of vesting, is measured on the date of grant, using the Black-Scholes Option Pricing Model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. A 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 ("Agreement"), the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the Agreement. Warrants that are part of units are assigned value based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

Flow-through common shares

The Company will from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into (i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and (ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax recognized as a tax provision.

2. BASIS OF PREPARATION (cont'd…)

Flow-through common shares (cont'd…)

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through share proceeds.

The Company may also be subjected to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Income taxes

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.

Deferred tax is recognized in respect of temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, diluted loss per share is not presented separately from loss per share as the conversion of outstanding stock options and warrants into common shares would be anti-dilutive. Basic loss per common share is calculated using the weighted-average number of shares outstanding during the period.

Critical judgments and sources of estimation uncertainty

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

2. BASIS OF PREPARATION (cont'd…)

Critical judgments and sources of estimation uncertainty (cont'd…)

Critical Judgments

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 financial statements:

(i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

(ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. It was determined that the Canadian dollar is the functional currency of the Company and its subsidiary.

(iii) Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful, and some assets are likely to become impaired in future periods.

(iv) The determination of whether a set of assets acquired, and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

(ii) The assessment of any impairment of evaluation and exploration assets, and property and equipment is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets.

(iii) The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of the subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's net loss and share-based payment reserve.

(Unaudited - Expressed in Canadian dollars)

3. MARKETABLE SECURITIES

As at February 28, 2023, marketable securities consist of Nil common shares (August 31, 2022 - 2,013,500) of West Mining Corp. ("West") relating to the sale of 1994854 Alberta Ltd. ("199") (Note 7). The fair value of the 7,361,112 West shares was $2,733,334 when received, estimated using a commonly used option model that estimates the discount related to the lack of marketability of the shares from the contractual restriction. During the year ended August 31, 2022, the Company sold 3,542,056 (2021 - 1,805,556) shares for proceeds of $285,404 (2021 - $487,574), realized a loss of $73,141 (2021 - $69,578) and paid broker fees of $6,070 (2021 - $2,570). The outstanding West shares held were revalued to $88,036 at August 31, 2022 and the Company recorded an unrealized loss of $322,550 (2021 - $1,398,411) in the statement of loss and comprehensive loss during the year ended August 31, 2022.

During the six months ended February 28, 2023, the Company sold 2,013,500 (2022 – 1,805,556) shares for proceeds of $91,117 (2022 - $193,360), realized a loss of $77,170 (2022 - $29,099) and paid broker fees of $2,515 (2022 - $3,235). There is no outstanding West shares held at February 28, 2023 and the Company recorded an unrealized gain of $82,766 (2021 - loss of $278,632) in the statement of loss and comprehensive loss during the six months ended February 28, 2023.

The continuity of the Company's marketable securities is as follows:

	West Mining Corp.		
	Number of Shares		Fair Value
Balance, August 31, 2021	5,555,556	$	775,201
Sale of shares	(3,542,056)		(364,615)
Change in market value	-		(322,550)
Balance, August 31, 2022	2,013,500		88,036
Sale of shares	(2,013,500)		(170,802)
Change in market value	-		82,766
Balance, February 28, 2023	**-**	**$**	**-**

4. LOANS PAYABLE

During the year ended August 31, 2020, the Company received loans of $60,000 from third parties. The loan is unsecured, non-interest bearing and has no specific terms of repayment. During the six months ended February 28, 2023, the Company paid the remaining balance of $10,000. As of February 28, 2023, the loan has a $Nil balance.

During the year ended August 31, 2021, the Company received loans of $55,000 from third parties. The loans are unsecured, non-interest bearing and has no specific terms of repayment. The Company paid $10,000 administration fees during the year ended August 31, 2021. As of February 28, 2023, the loan had a balance of $5,000.

During the six months ended February 28, 2023, the Company received a loan of $100,000 from third parties. The loan is unsecured, bears 10% interest per annum and is payable within 12 months. During the six months ended February 28, 2023, the Company accrued interest of $164 (2022 - $Nil). As of February 28, 2023, the loan had a balance of $100,164 (August 31, 2022 - $Nil).

5. LEASE ASSETS AND LIABILITIES

During the year ended August 31, 2019, the Company entered a lease agreement for use of vehicle for a monthly lease payment of $1,074 over a period of four years. The Company recognized the value of right-of-use ("ROU") asset and lease liability on the consolidated statement of financial position.

(Unaudited - Expressed in Canadian dollars)

5. LEASE ASSETS AND LIABILITIES (cont'd…)

Right-of-use asset

During the year ended August 31, 2020, the Company signed a severance agreement with a former executive, which included the former executive taking possession of the above-mentioned vehicle and the Company continuing to pay the monthly payments. Accordingly, the Company derecognized the ROU asset.

Lease liability

During the six months ended February 28, 2023, the Company modified the lease which resulted to a gain of lease of modification of $10,715 which was recorded in the statement of loss and comprehensive loss.

Balance, August 31, 2021	$	16,838
Accrued interest		322
Accounts payable		(6,444)
Cash payments		(6,445)
Balance, August 31, 2022		4,271
Transfer of lease balance back to accounts payable		6,444
Gain on lease modification		(10,715)
Balance, February 28, 2023	$	-

6. EXPLORATION AND EVALUATION ASSETS

The Kena-Daylight and the Toughnut Property combined forms a single area of exploration for the Company.

Kena - Daylight Project

On April 11, 2017, the Company completed its acquisition of 199, a wholly owned subsidiary of the Company. 199 entered into an option agreement with Apex Resources Inc. ("Apex"), as amended on June 26, 2019, pursuant to which it has an option (the "Option") to earn an 80% interest in Apex's Kena and Daylight properties located in the Nelson area of British Columbia, Canada. The Option has a term of 4 years commencing from October 3, 2016 (the "Effective Date"). The obligations and rights of 199 under the Option have been assigned to the Company. To exercise the Option and earn its 80% interest in the Kena Project, the Company will:

i. Make the following cash option payments to Apex:
   a. $500,000 within 5 business days from the Effective Date (paid by 199 prior to the Acquisition);
   b. an additional $250,000 within twelve months from the Effective Date (paid October 4, 2017);
   c. an additional $250,000 within twenty-four months from the Effective Date (paid September 28, 2018); and
   d. an additional $250,000 within thirty-five months from the Effective Date (paid September 27, 2019).

   for total cash option payments of $1,250,000. Under the Option Agreement, a final cash payment of $250,000 was to be made within thirty-six months from the Effective Date. Pursuant to the Amending Agreement, the final cash payment of $250,000 is to be paid one month earlier, within thirty-five months from the Effective Date;

ii. issue common shares to Apex as follows:
   a. 75,000 shares within 5 business days from the Effective Date (issued by 199 prior to the Acquisition);
   b. an additional 75,000 shares within twelve months from the Effective Date (issued with a value of $106,876);

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Kena - Daylight Project (cont'd…)

c. an additional 75,000 shares within twenty-four months from the Effective Date (issued with a value of $39,375); and
d. an additional 75,000 shares anytime before July 31, 2019 (issued with a value of $7,500).

for a total of 300,000 shares. Under the Option Agreement, the Company had an obligation to issue a final allocation of 75,000 shares to Apex within thirty-six months from the Effective Date. Pursuant to the Amending Agreement, the Company is required to issue the 75,000 shares anytime before July 31, 2019 (issued July 5, 2019); and

iii. incur exploration expenditures on the Kena Project as follows:
a. $100,000, within twelve months from the Effective Date (completed);
b. an additional $400,000 within twenty-four months from the Effective Date (completed);
c. an additional $1,000,000 within sixty months from the Effective Date; and
d. an additional $1,500,000 within seventy-two months from the Effective Date.

for total exploration expenditures of $3,000,000. Pursuant to the Amending Agreement item 1(c) above has been extended by two years to sixty months from the Effective Date and item 1(d) above has been extended by two years to seventy-two months from the Effective Date.

All other provisions of the Option Agreement remain unamended.

After earning its 80% interest in the Kena-Daylight Project, the Company has a second option to earn and acquire up to an additional 20% undivided interest in the Kena-Daylight Project by making a $2,000,000 cash payment to Apex and granting a 1% net smelter returns royalty (the "NSR") on the Kena-Daylight Project to Apex on or before the date that is 180 days following the date of exercise of the 80% option. 199 has the right to purchase one half of the 1% NSR for a purchase price of $5,000,000 on or before the date in which commercial production commences. If the 20% option is not exercised, 199 and Apex will establish an 80:20 joint venture for the further management, exploration and development of the Kena-Daylight Project.

On December 24, 2020 ("Execution Date"), the Company entered into an option agreement respecting the Kena and Daylight Gold-Copper Properties (the "Property") with 199 and West, pursuant to which West has the option to earn a 100% undivided right, title and interest in and to the Property. On January 25, 2021, the parties amended and restated the option agreement. The terms of the amended and restated agreement are the same as previously, with the difference being that the agreement is now structured as an option to acquire the shares of the registered owner of the properties, 199, a wholly owned subsidiary of the Company, rather than as an option for West to acquire the Property from 199. As such, West has the right to acquire all of the issued and outstanding shares of 199 from the Company.

In order to exercise the option and acquire an undivided 100% interest in 199, West shall:

a. on the execution date, issue 1,805,556 common shares (received) to the Company and pay an aggregate of $325,000 in cash to the Company, less the $25,000 previously paid to the Company as a deposit (received);
b. on or before June 24, 2021, issue 1,805,556 common shares to the Company and pay an aggregate of $325,000 to the Company;
c. on or before December 24, 2021, issue 1,805,556 common shares to the Company and pay an aggregate of $325,000 (received) in cash to the Company;
d. on or before June 24, 2022, issue 1,944,444 common shares to the Company and pay an aggregate of $350,000 in cash to the Company;
e. on or before October 3, 2021, spend a cumulative minimum amount of $711,000 on exploration expenditures on the Property; and

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Kena - Daylight Project (cont'd…)

f. on or before October 3, 2022, spend a cumulative minimum amount of $2,211,000 on exploration expenditures on the Property.

The exploration expenditures to be made by West under the share option agreement will fulfill 199's obligations to earn an 80% interest in the Property.

Any interest that 199 earns in the Property will be subject to the following third party NSR royalties on certain claims comprising the Property: (a) Daylight Crown Grants – 3% NSR on gold and silver and 1.5% NSR on all other metals (subject to the right to purchase 66 2/3% of the NSR for $1,000,000 upon or prior to commencement of commercial production and the issuance of 200,000 shares upon completion of a positive feasibility study); (b) Great Western Claim Group – 3% NSR on gold and silver and 1.5% NSR on all other metals (subject to the right to purchase 66 2/3% of the NSR for $1,000,000 upon commencement of commercial production and the issuance of 20,000 shares upon completion of a positive feasibility study); (c) Starlight Crown Grants – 1% NSR (subject to the right to purchase the NSR for $1,000,000 upon commencement of commercial production); (d) Tough Nut Claims - 3% NSR on gold and silver and 1.5% NSR on all other metals (subject to the right to purchase 66% of the NSR for $2,000,000 upon commencement of production); and (e) Kena Claims - 3% NSR on gold and silver and 1.5% NSR on all other metals (subject to the right to purchase 50% of the NSR for the greater of 7,000 ounces gold or $2,000,000).

On April 6, 2021, the Company signed a second amending agreement with respect to above share option agreement, which amends the share option agreement dated January 25, 2021, between the parties. The amending agreement provides that West can complete its acquisition of all 199's shares from the Company by making a cash payment of $800,000 (received) to the Company within five days and by issuing an aggregate of 7,361,112 shares to the Company as follows:

a. 1,805,556 shares already issued to the Company will be free-trading on April 24, 2021 (received);
b. 1,805,556 shares will be subject to voluntary escrow until October 24, 2021 (received);
c. 1,805,556 shares will be subject to voluntary escrow until April 24, 2022 (received); and
d. 1,944,444 shares will be subject to voluntary escrow until October 24, 2022 (received).

The transaction was completed during the year ended August 31, 2021 (Note 3).

Toughnut Property

As of July 4, 2017, the Company entered into an option agreement to acquire a 100% interest in the Toughnut Property, located in southeastern British Columbia. To acquire the Toughnut property, the Company must pay $150,000, issue 50,000 common shares and incur $750,000 of exploration expenditures over a five-year period. The requirements of the option agreement are as follows:

a. Pay $30,000 cash (paid) and issue 10,000 common shares on or before five business days following the effective date (June 30, 2017) (issued);
b. Pay $30,000 cash (paid) and issue 10,000 common shares on or before June 30, 2018 (issued with a value of $8,000);
c. Pay $30,000 cash (paid) and issue 10,000 common shares on or before June 30, 2019 (issued with a value of $1,000);
d. Pay $30,000 cash (paid) and issue 10,000 common shares on or before June 30, 2020 (issued with a value of $300) ;
e. Pay $30,000 cash (paid) and issue 10,000 common shares on or before June 30, 2021 (issued with a value of $400) (Note 10) ; and
f. Incur $750,000 in exploration expenditures on or before June 30, 2022 (completed). As of February 28, 2023, the Company has incurred exploration expenditures of $1,474,654.

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Toughnut Property

The Toughnut property will be subject to a 2% NSR on its acquisition by the Company. The Company shall have the right to purchase one-half of the 2% NSR for the purchase price of $2,000,000 on or before the date on which commercial production commences. The property is also subject to a 0.5% NSR from the production of metals until the $1,000,000 cap has been attained on the underlying royalty to the original sellers of the property.

During the year ended August 31, 2021, the Company completed the option agreement relating to the acquisition of Toughnut property.

As at August 31, 2019, the Company estimated the fair value of the Kena-Daylight-Toughnut project to be $3,035,000, resulting in an impairment charge of $9,940,704.

As of February 28, 2023, the Company has reclamation bond deposit of $79,700 (August 31, 2022 - $79,700) related to potential environmental rehabilitation work for the Toughnut project.

The continuity of the Company's exploration and evaluation assets is as follows:

		Kena-Daylight-Toughnut
Acquisition Costs		
Balance, at August 31, 2022 and February 28, 2023	$	193,200
Deferred Exploration Costs		
Balance, at August 31, 2022 and February 28, 2023		1,474,654
Impairment		(1,021,897)
Total exploration and evaluation assets	**$**	**645,957**

		Kena-Daylight-Toughnut
Acquisition Costs		
Balance, at August 31, 2022	$	10,914,292
Deferred Exploration Costs		
Balance, at August 31, 2022		2,373,744
Impairment		(9,940,704)
Sale of Kena-Daylight Property		(2,701,375)
Total exploration and evaluation assets	**$**	**645,957**

(Unaudited - Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS

During the six months ended February 28, 2023, the Company carried out the following transactions with related parties:

a. Transactions:

		February 28, 2023		February 28, 2022
Management fees to officer, directors and company controlled by officer and directors	$	49,496	$	36,333
Consulting fees to a company controlled by a director and officer	$	-	$	40,000

b. Key management compensation:

Key management includes the President and CEO and the CFO. The compensation paid or payable to key management or companies controlled by them for director and/or management services is shown below:

		February 28, 2023		February 28, 2022
Fees reported as management fees to officer, directors and company controlled by officer and directors	$	49,496	$	36,333
Fees reported as consulting fees to a company controlled by a director and officer	$	-	$	40,000

c. Accounts payable to related parties:

		February 28, 2023		August 31, 2022
Fees to directors and officers of the Company	$	39,522	$	27,508

Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

8. SHARE CAPITAL

Authorized shares

Unlimited number of voting common shares without par value.
Unlimited number of preferred shares, issuable in series.

Issued and outstanding

At February 28, 2023, the Company had 31,567,112 (August 31, 2022 - 31,567,112) common shares and no preferred shares outstanding.

No shares were issued during the six months ended February 28, 2023 and year ended August 31, 2022.

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (cont'd…)

Share purchase warrants

As at February 28, 2023 and August 31, 2022, the Company has Nil share purchase warrants outstanding.

Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option shall not be less than the market price permitted by any stock exchange on which the Company's common shares are listed or any other regulatory body having jurisdiction. The options can be granted for a maximum term of 10 years and are subject to vesting provisions determined by the board of directors.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at August 31, 2022	240,000	$ 0.25
Expired	(140,000)	0.25
Outstanding at February 28, 2023	100,000	$ 0.25
Options exercisable at February 28, 2023	100,000	$ 0.25

The following incentive stock options were outstanding to a consultant and former officer and director at February 28, 2023:

Number of Options Outstanding	Exercise Price ($)	Expiry Date	Number of Options Exercisable
100,000	0.25	July 15, 2024	100,000

The weighted average life of the stock options are 1.38 years.

Share-based payment reserve

Share-based payment reserve comprised of share-based payments recognized from stock options granted and warrant reserve.

9. LOSS PER SHARE

The calculation of basic and diluted loss per share for the six months ended February 28, 2023 was based on the loss attributable to common shareholders of $109,085 (2022 - $452,173) and a weighted average number of common shares outstanding of 31,567,112 (2022 - 31,567,112).

10. CAPITAL MANAGEMENT

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

(Unaudited - Expressed in Canadian dollars)

10. CAPITAL MANAGEMENT (cont'd…)

The Company considers the items included in shareholders' equity as capital. 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. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at February 28, 2023, the Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year.

11. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets. All of the Company's non-current assets are located in Canada as follows:

		Canada
Balance at February 28, 2023		
Mineral properties	$	645,957
Other non-current assets	$	79,700
Balance at August 31, 2022		
Mineral properties	$	645,957
Other non-current assets	$	79,700

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the six months ended February 28, 2023, there were no significant non-cash transactions that affected cash flows from operating, investing and financing activities.

13. FAIR VALUE MEASUREMENT AND RISK

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. Credit risk is assessed as low.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2023, the Company had a cash balance of $200,111 (August 31, 2022 - $102,216) to settle current liabilities of $1,021,674 (August 31, 2022 - $902,730). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

The Company has historically relied on equity financings to satisfy its capital requirements and will continue to depend upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing market conditions. Liquidity risk is assessed as high.

13. FAIR VALUE MEASUREMENT AND RISK (cont'd…)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no variable interest-bearing debt and therefore is not exposed to risk in the event of fluctuations.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk on fluctuations related to cash and accounts payable liabilities that are denominated in United States dollars ("US$") and Mexican pesos ("MX$"). The Company does not use derivatives or other techniques to manage foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors commodity prices, and the stock market to determine the appropriate course of action to be taken by the Company. The Company is not exposed to commodity risk. The Company is exposed to equity risk due to its holding of marketable securities.

(d) Fair value

The carrying value of accounts payable, accounts payable to related parties and loans payable approximate fair value because of the short term nature of the instruments. The carrying value of the reclamation bond is the amortized cost.

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

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

The fair value of cash and marketable securities are based on level 1 inputs of the fair value hierarchy.

14. CONTINGENCIES

In January 2021, Denton Resources Ltd. ("Denton") commenced legal action against the Company seeking settlement of an outstanding amount relating to the Carscallan Drilling Program incurred in 2019. As of February 28, 2023, the claim has not been settled.

In May 2021, McMillan LLP ("McMillan") commenced legal action against the Company seeking settlement of an outstanding amount of $67,673 relating to the professional services rendered in 2019. On March 14, 2022, $4,291 was garnished and paid into the Supreme Court of British Columbia pursuant to the Garnishment Order filed by McMillan in February 2022. During the year ended August 31, 2022, the garnished amount was released and the Company paid an additional $25,000 as full settlement and received the final release to the claim. The Company recognized a gain on debt settlement of $38,382 during the year ended August 31, 2022.