Comstock Metals Ltd.

Condensed Interim Financial Statements

Nine Months Ended June 30, 2023

Expressed in Canadian Dollars

(UNAUDITED)

NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management. The Company's independent auditor has not performed a review of these condensed interim financial statements.

Comstock Metals Ltd.
Interim statements of financial position
(Expressed in Canadian dollars - Unaudited)

	Notes		June 30, 2023		September 30, 2022
ASSETS					
Current assets					
Cash		$	15,261	$	59,811
Other receivables			49		4,836
Prepaid expenses and deposits			5,474		12,809
Investments	3		555,000		1,665,000
			575,784		**1,742,456**
Non-current assets					
Exploration and evaluation assets	4		1		1
			1		**1**
TOTAL ASSETS		**$**	**575,785**	**$**	**1,742,457**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	5, 7	$	265,252	$	232,582
TOTAL LIABILITIES			**265,252**		**232,582**
SHAREHOLDERS' EQUITY					
Share capital	6		18,466,089		18,466,089
Share-based payment reserve	6		2,703,965		2,703,965
Deficit			(20,859,521)		(19,660,179)
TOTAL SHAREHOLDERS' EQUITY			**310,553**		**1,509,875**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**575,785**	**$**	**1,742,457**

Nature and continuance of operations (Note 1)

Commitments (Note 10)

Events after the reporting period (Note 11)

Approved on behalf of the Board:

/s/ "Steven Goldman"

/s/ "Arnold Tenney"

Comstock Metals Ltd.
Interim statements of operations and comprehensive loss
(Expressed in Canadian dollars - Unaudited)

	Notes	Three-month period ended June 30, 2023	Three-month period ended June 30, 2022	Nine-month period ended June 30, 2023	Nine-month period ended June 30, 2022
Expenses					
Depreciation		$ -	$ -	$ -	$ 42
Filing fees		2,102	2,043	10,138	17,783
Corporate development		835	756	1,695	9,077
Management fees	7	-	22,500	15,000	82,500
Office and administrative	7	3,081	15,083	18,854	53,307
Professional fees		4,333	20,000	40,619	74,637
Rent	7	-	3,898	3,898	15,186
Share based compensation	6, 7	-	-	-	84,000
		$ (10,351)	$ (64,280)	$ (90,204)	$ (337,032)
Other items					
Interest income		163	125	982	993
Foreign exchange (loss) gain		(69)	30	(120)	(36)
Loss on sale of exploration and evaluation asset	4	-	-	-	(172,731)
Write-off of equipment		-	-	-	(568)
Realized loss on investments	3	-	-	-	(333,094)
Unrealized loss on investments	3	(277,500)	(832,500)	(1,110,000)	(499,413)
Flow-through liability reversed	6	-	-	-	60,000
		(277,406)	(832,345)	(1,109,138)	(944,849)
Comprehensive loss for the period		**$ (287,757)**	**$ (896,625)**	**$ (1,199,342)**	**$ (1,281,881)**
Loss per share – basic and diluted	6	**$ (0.01)**	**$ (0.03)**	**$ (0.04)**	**$ (0.04)**
Weighted average number of shares outstanding		**29,671,985**	**29,656,600**	**29,671,985**	**29,419,970**

Comstock Metals Ltd.
Interim Statements of changes in equity
(Expressed in Canadian dollars - Unaudited)

		Share Capital					
	Notes	Number of shares	Amount	Share subscriptions received	Share-based payment reserve	Deficit	Total
Balance at October 1, 2022		29,671,985	$ 18,466,089	$ -	$ 2,703,965	$ (19,660,179)	$ 1,509,875
Net and comprehensive loss		-	-	-	-	(1,199,342)	(1,199,342)
Balance at June 30, 2023		**29,671,985**	**$ 18,466,089**	**$ -**	**$ 2,703,965**	**$ (20,859,521)**	**$ 310,353**
Balance at October 1, 2021		25,331,985	$ 18,099,906	$ 179,500	$ 2,612,965	$ (18,033,041)	$ 2,859,330
Shares issued for private placement	6	3,940,000	388,900	(179,500)	-	-	209,400
Flow through shares premium	6	-	(60,000)	-	-	-	(60,000)
Share issue costs	6	-	(17,417)	-	-	-	(17,417)
Broker warrants issued	6	-	(7,000)	-	7,000	-	-
Stock options exercised	6	400,000	36,000	-	-	-	36,000
Share based compensation	6	-	-	-	84,000	-	84,000
Net and comprehensive loss		-	-	-	-	(1,281,881)	(1,281,881)
Balance at June 30, 2022		**29,671,985**	**$ 18,440,389**	**$ -**	**$ 2,703,965**	**$ (19,314,922)**	**$ 1,829,432**

Comstock Metals Ltd.

Interim Statements of cash flows

(Expressed in Canadian dollars - Unaudited)

	Nine-month period ended	
	June 30, 2023	**June 30, 2022**
Operating activities		
Net loss	$ (1,199,342)	$ (1,281,881)
Adjustments for non-cash items:		
Depreciation	-	42
Share-based compensation	-	84,000
Loss on sale of exploration and evaluation asset	-	172,731
Write-off of equipment	-	568
Realized loss on investments	-	333,094
Unrealized loss on investments	1,110,000	499,413
Flow through liability reversed	-	(60,000)
Changes in non-cash working capital items:		
Other receivables	4,787	(2,294)
Prepaid expenses	7,335	7,550
Accounts payable and accrued liabilities	32,670	102,559
Net cash flows used in operating activities	**(44,550)**	**(144,218)**
Investing activities		
Expenditures on exploration and evaluation assets	-	(211,000)
Net cash flows used in investing activities	**-**	**(211,000)**
Financing activities		
Proceeds received from private placement	-	209,400
Share issue costs	-	(17,417)
Proceeds from exercise of stock options	-	36,000
Net cash flows from financing activities	**-**	**227,983**
Decrease in cash	(44,550)	(127,235)
Cash, beginning	59,811	189,961
Cash, ending	**$ 15,261**	**$ 62,726**

Non-cash transactions and supplemental disclosures

Flow through shares premium	$ -	$ 60,000
Broker warrants issued	$ -	$ 7,000
Investment shares received for sale of exploration and evaluation asset	$ -	$ 3,000,000
Investment shares paid for advisory fees	$ -	$ 135,000
Investment shares paid for CEO bonus	$ -	$ 90,000

1. Nature and continuance of operations

Comstock Metals Ltd. (the "Company" or "Comstock") was incorporated on December 13, 2007 under the laws of the province of British Columbia, Canada. The Company's shares are traded on the TSX Venture Exchange (the "Exchange") under the symbol "CSL". The head office, registered office, principal address and records office of the Company are located at P.O. Box 30072, RPO Parkgate Vlg, North Vancouver, British Columbia, Canada, V7H 2Y8.

On March 31, 2022, Comstock sold its Preview SW Gold Project mineral property in the La Ronge Gold Belt in Saskatchewan to MAS Gold Corp. ("MAS Gold") (see Notes 3 and 4). Comstock is currently considering its various options including the acquisition and exploration of new projects.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2023, the Company has sold its exploration and evaluation asset property. The Company's continuation as a going concern is dependent upon its ability to acquire a new business and attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors, the sale of investments and or private placement of common shares. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

2. Significant accounting policies and basis of preparation

These financial statements were authorized for issue on August 15, 2023 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations, using accounting policies consistent with International Financial Reporting Standards ("IFRS") and accordingly, certain information and note disclosure included in the annual financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed interim financial statements should be read in conjunction with the Company's September 30, 2022 audited annual financial statements.

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Significant estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of net assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported 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.

Estimates and assumptions where there are significant risk of material adjustments to assets and liabilities in future accounting periods include the amortization of equipment, recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in preparing the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- The classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- The determination of whether or not to impair exploration and evaluation assets.

Foreign currency translation

The functional currency is determined using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

2. Significant accounting policies and basis of preparation (cont.)

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Equipment

Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive loss.

Amortization is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives, using the following rates:

Class of equipment	Amortization rate
Computer hardware	50%
Computer software	50%
Camp equipment	20%
Office furniture and equipment	20%

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant, and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

2. Significant accounting policies and basis of preparation (cont.)

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of the options is determined using the Black-Scholes Option Pricing Model. 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.

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 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 if the Company has opted to measure them at FVTPL.

Financial assets/liabilities	Classification
Cash	FVTPL
Other receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Investments	FVTPL

2. Significant accounting policies and basis of preparation (cont.)

Financial instruments (cont.)

Measurement

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 transaction costs are expensed in the statements of 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 comprehensive (loss) income in the period in which they arise.

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 credit risk of 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 comprehensive (loss) income, 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 comprehensive (loss) income.

2. Significant accounting policies and basis of preparation (cont.)

Impairment of assets

The carrying amount of the Company's assets (which includes equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash

Cash include cash on hand, deposits held at call with banks, and bank overdrafts.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2. Significant accounting policies and basis of preparation (cont.)

Income taxes (cont.)

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through shares:

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("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 will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a flow-through tax recovery.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration 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 mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

(Loss) earnings per share

Basic (loss) earnings per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Under this method, the basic and diluted loss per share for the nine months ended June 30, 2023 were the same, as the effect of common shares issuable upon the exercise of warrants and stock options of the Company would be anti-dilutive.

(Expressed in Canadian dollars unless otherwise noted - Unaudited)

2. Significant accounting policies and basis of preparation (cont.)

(Loss) earnings per share (cont.)

For the nine months ended June 30, 2023, the exercise price of the outstanding options and warrants was greater than the weighted average share price and therefore diluted income per share equals basic income per share.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

Proceeds from unit placements are allocated between share and warrants using the residual method.

3. Investments

		June 30, 2023			September 30, 2022		
Name	**Type**	**Number**		**Fair Value**	**Number**		**Fair Value**
MAS Gold Corp.	Common shares	27,750,000	$	555,000	27,750,000	$	1,665,000
MAS Gold Corp.	Rights	27,750,000		-	-		-
Total Investments			**$**	**555,000**		**$**	**1,665,000**

MAS Gold Corp.

On March 29, 2022, the Company received net proceeds of 27,750,000 common shares (the "Shares") of MAS Gold (TSXV: MAS) from the sale of its Preview SW Gold Project (See also Note 4). The Shares were at a fair market value of $2,775,000 as of March 29, 2022. As of June 30, 2023, the Shares had a fair market value of $555,000 resulting in an unrealized loss of $1,110,000 for the nine months ended June 30, 2023. As of September 30, 2022, the Shares had a fair market value of $1,665,000 resulting in an unrealized loss of $1,110,000 for the year ended September 30, 2022. The Shares were subject to a four-month trading hold that expired on July 31, 2022. Using the most recently available financial information, the Company estimates it held a 13.6% ownership stake in MAS Gold as of June 30, 2023 and did not have significant influence as defined in IFRS IAS 28 Investments in Associates and Joint Ventures (see also Note 11).

MAS Gold Rights Offering

On June 30, 2023, the Company received 27,750,000 rights (the "Rights") in MAS Gold. Each Right entitles the holder to purchase one common share in MAS Gold for $0.01 per share until September 5, 2023. The Rights were given a conservative value of $Nil as the Company did not find any IFRS guidance on valuation and financial statements presentation (see also Note 11).

3. Investments (cont.)

White Gold Corp.

The Company held 350,625 warrants of White Gold Corp. (TSXV: WGO) ("White Gold") to acquire one common share for 3 years at an exercise price equal to $1.50. On February 28, 2022, the warrants expired unexercised. As a result, the Company recognized a realized loss of $333,094 (the original fair market value of the warrants calculated using the Black-Scholes Valuation Model) and an unrealized gain of $333,087 on the warrants expiration to reduce the carrying value of the warrants to $Nil during the year ended September 30, 2022.

The Company accounts for its investments at FVTPL.

4. Preview SW Gold Project Transaction and exploration and evaluation assets

Preview SW Gold Project Transaction

On January 13, 2022, the Company and MAS Gold signed a definitive agreement pursuant to which Comstock agreed to sell 100% of its interest in its Preview SW Gold Project located in Saskatchewan to MAS Gold in consideration of the issuance of 30,000,000 common shares in MAS Gold (the "Transaction"). The Transaction closed on March 31, 2022 after the Company received Exchange acceptance and held its special and annual general meeting and received shareholder approval. Upon closing of the Transaction, Comstock gained the right to appoint one director to MAS Gold's board for a minimum of two years, and appointed Steven Goldman, CEO of Comstock as its board representative on the MAS board. On June 27, 2023, Steven Goldman resigned from the Board of Directors of MAS Gold. Under the Transaction terms, Comstock provided additional exploration funding in the amount of $200,000, expended in first quarter of calendar 2022, in conjunction with input from MAS Gold, advancing the Preview SW Gold Property prior to closing of the Transaction and to satisfy its flow through share commitment.

Comstock engaged Red Cloud Klondike Strike Inc. ("Red Cloud") as an advisor to the Transaction and paid advisory fees based on the Transaction's value equal to 5% of the first $2,000,000 and 3.5% thereafter (the "Advisory Fee"). The Company's CEO received a 3% bonus based on the Transaction's value (the "Bonus"). The Advisory Fee and Bonus were paid using a portion of the MAS Gold shares received by the Company. As a result, the Company received net proceeds of 27,750,000 MAS Gold shares (See also Note 3).

(Expressed in Canadian dollars unless otherwise noted - Unaudited)

4. Preview SW Gold Project Transaction and exploration and evaluation assets (cont.)

Preview SW Gold Project Transaction (cont.)

As of September 30, 2022, the Company recorded the closing of the Transaction as follows:

Consideration received		
Number of MAS Gold shares received		30,000,000
MAS Gold closing share price on March 31, 2022	$	0.10
Total fair value of gross consideration received	$	3,000,000
Closing costs		
Red Cloud advisory fee (paid with 1,350,000 MAS Gold shares)		(135,000)
CEO Bonus (paid with 900,000 MAS Gold shares)		(90,000)
Change of control payment payable to CFO		(21,000)
Legal fees incurred on transaction		(20,234)
Total closing costs	$	(266,234)
Net proceeds (A)	**$**	**2,733,766**
Preview SW carrying costs		
Carrying amount as of September 30, 2021	$	2,751,594
Additional exploration work conducted to March 31, 2022	$	204,903
Saskatchewan government grant for exploration work	$	(50,000)
Net carrying costs of Preview SW at time of sale (B)	**$**	**2,906,497**
Loss on sale of Preview SW for the year ended September 30, 2022 (A - B)	**$**	**(172,731)**

Exploration and evaluation assets

	Corona (Mexico)	Total June 30, 2023	Total September 30, 2022
Property acquisition costs			
Balance, beginning of year	$ 1	$ 1	$ 2,695,001
Impairment write-down	-	-	-
Balance, end of period	1	1	2,695,001
Exploration and evaluation costs			
Balance, beginning of year	-	-	56,594
Costs incurred during period:			
Geological and geophysics	-	-	204,903
Government grant	-	-	(50,000)
Balance, end of period	-	-	211,497
Sold	-	-	(2,906,497)
Total	**$ 1**	**$ 1**	**$ 1**

(Expressed in Canadian dollars unless otherwise noted - Unaudited)

4. Preview SW Gold Project Transaction and exploration and evaluation assets (cont.)

Corona Property, Mexico

During the year ended September 30, 2013, the Company completed all option requirements and earned a 50% interest in the Corona property in Mexico. During the year ended September 30, 2014, the Company wrote down the carrying value to $1. On December 7, 2015, Golden Goliath Resources Ltd. ("Golden Goliath"), which holds the other 50% interest in the Corona property, announced that it had signed an option agreement with Fresnillo PLC that includes the Corona property. During the year ended September 30, 2019, the option agreement was completed and exercised by Fresnillo PLC.

The Company retains a 0.5% net smelter return on the Corona property with a nominal value of $1.

5. Accounts payable and accrued liabilities

		June 30, 2023		September 30, 2022
Trade payables (Note 8)	$	265,252	$	232,582
Accrued liabilities		-		-
	$	**265,252**	**$**	**232,582**

See also Note 7.

6. Share capital

Authorized share capital

The Company's share capital consists of an unlimited number of common shares without par value.

Issued share capital

At June 30, 2023, there were 29,671,985 issued and fully paid common shares (September 30, 2022 29,671,985).

6. Share capital (cont.)

Private Placement

On October 1, 2021, the Company closed a non-brokered private placement for aggregate gross proceeds of $388,900 comprising 2,225,000 units ("Units") and 1,715,000 flow-through units ("FT Units"). Each Unit will be priced at $0.09 and will consist of one common share in the capital of the Company (a "Share") and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one additional common share of the Company (a "Share") at an exercise price of $0.12 per Share for a period of 24 months from the closing date. Each FT Unit will be priced at $0.11 and consist of one flow-through common share in the capital of the Company (a "FT Share") and one common share purchase warrant (a "FT Warrant"). Each FT Warrant will entitle the holder thereof to purchase one additional non flow-through common share of the Company at an exercise price of $0.12 per Share for a period of 24 months from the closing date. Using the residual method, there was no value allocated to the warrants issued as part of the units.

6. Share capital (cont.)

Private Placement (cont.)

The expiry date of the Warrants is subject to an acceleration provision that provides that if the closing price of the Company's common shares is equal to or greater than $0.24 for a period of 10 consecutive trading days, the Company has the right to accelerate the expiry date of the Warrants by giving written notice to the holders of the Warrants with the revised expiry date being 30 days from the date of the notice to the warrant holders. The acceleration of the Warrant expiry date may not be triggered prior to February 2, 2022.

The Company paid finder's fees totaling $13,398 and issued 125,300 broker warrants as compensation to a finder that assisted with the offerings. The Company also paid other share issuance costs of $4,019 in connection with this private placement. Each broker warrant entitles the holder thereof to acquire one common share at a price of $0.09 per share at any time on or before October 1, 2023. The fair value of the brokers' warrant was estimated at $7,000 using the Black-Scholes Option Pricing Model and the following inputs: discount rate: 1.07%, expected volatility: 174%, annual dividend rate: Nil and expected life: 2 years.

The flow-through shares issued in this private placement had a non-cash flow-through tax liability of $34,300 based on difference between the flow-through share issue price and the non-flow-through share issue price. This liability reversed when the Company completed the required exploration work during 2022 (see also Note 4).

The securities issued under this private placement were subject to four-month hold period that expired on February 2, 2022.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 30 days following cessation of the optionee's position with the Company.

(Expressed in Canadian dollars unless otherwise noted - Unaudited)

6. Share capital (cont.)

Stock options (cont.)

The changes in options during the nine months ended June 30, 2023 and 2022 are as follows:

	June 30, 2023		**June 30, 2022**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning	**1,478,000**	**$ 0.11**	**918,000**	**$ 0.21**
Issued	-	-	1,200,000	0.09
Exercised	-	-	(400,000)	0.09
Expired	(378,000)	0.14	(240,000)	0.43
Options outstanding and exercisable, ending	**1,100,000**	**$ 0.10**	**1,478,000**	**$ 0.11**

During the nine months ended June 30, 2023, the Company did not issue any stock options. During nine months ended June 30, 2022, the Company issued 1,200,000 stock options to directors, officers and a consultant with an exercise price of $0.09 and expiry date of October 25, 2026 that 100% vested on grant. The fair value of the options was estimated at $84,000 using the Black-Scholes Option Pricing Model and the following inputs: discount rate: 1.34%, expected volatility: 137%, annual dividend rate: Nil and expected life: 5 years. The Company recognized $84,000 of share-based compensation from the vesting of options in the prior period. During the nine months ended June 30, 2023, the Company received $Nil from the exercise of Nil stock options (2022 - $36,000 from 400,000 options exercised). At June 30, 2023, the weighted average remaining contractual life of outstanding options was 2.63 years (2022 – 2.94 years).

The following options were outstanding and vested as of June 30, 2023:

Expiry date	**Outstanding**	**Vested**	**Exercise price**
April 4, 2024	300,000	300,000	$0.11
October 25, 2026	800,000	800,000	$0.09
	1,100,000	**1,100,000**	

(Expressed in Canadian dollars unless otherwise noted - Unaudited)

6. Share capital (cont.)

Warrants

The changes in warrants during the nine months ended June 30, 2023 and 2022 are as follows:

	June 30, 2023		June 30, 2022	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning	**4,065,300**	**$ 0.12**	-	-
Issued	-	-	4,065,300	$ 0.12
Warrants outstanding, ending	**4,065,300**	**$ 0.12**	**4,065,300**	**$ 0.12**

During the nine months ended June 30, 2023 and 2022, the Company did not receive any proceeds from the exercise of warrants. The weighted average remaining contractual life of warrants outstanding as of June 30, 2023 was 0.25 years (June 30, 2022 – 1.25 years).

The following warrants were outstanding as of June 30, 2023:

Expiry date	**Outstanding**	**Exercise price**
*October 1, 2023	3,940,000	$0.12
October 1, 2023	**125,300	$0.09
	4,065,300	

* The expiry date of the Warrants is subject to an acceleration provision that provides that if the closing price of the Company's common shares is equal to or greater than $0.24 for a period of 10 consecutive trading days, the Company has the right to accelerate the expiry date of the Warrants by giving written notice to the holders of the Warrants with the revised expiry date being 30 days from the date of the notice to the warrant holders.
** Broker warrants.

Basic and diluted (loss) earnings per share

The calculation of basic and diluted loss per share for the nine months ended June 30, 2023 was based on the loss attributable to common shareholders of $1,199,342 (2022 – $1,281,881) and the weighted average number of common shares outstanding of 29,671,985 (2022 – 29,419,970).

Diluted loss per share for the three and nine months ended June 30, 2023 and 2022 does not include the effect of 1,100,000 stock options (2022 – 1,478,000) and 4,065,300 share purchase warrants (2022 – 4,065,300) because the effect would be anti-dilutive.

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

(Expressed in Canadian dollars unless otherwise noted - Unaudited)

7. Related party transactions

The Company incurred the following transactions with respect to officers and directors of the Company or corporations controlled by them during the nine months ended June 30, 2022 and 2021:

Key management personnel compensation

	June 30, 2023	June 30, 2022
Administration, director and consulting fees	$ 16,500	$ 88,500
Management fees	15,000	172,500
Share-based compensation to directors and officers	-	77,000
	$ 31,500	**$ 338,000**

Related party balances included in accounts payable and accrued liabilities

	June 30, 2023	September 30, 2022
Due to officers and directors and officers for consulting fees	$ 210,980	$ 179,480
Due to company with a common director and officer	-	5,274
	$ 210,980	**$ 184,754**

Effective January 1, 2023, the Company's directors and officers have voluntarily agreed to suspend all fee payments to themselves.

The Company paid $6,409 for shared rent and office services including office closure costs (2022 - $15,312) to a company with a common director and officer during the nine months ended June 30, 2023. Effective January 1, 2023, the Company is no longer sharing office space with another company.

8. Financial instruments and risk management

The Company's financial instruments consist of cash, other receivables, accounts payable and investments.

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets 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 Company's cash is measured using level 1 inputs. The fair value of the Company's investment in the shares of a public company is measured using level 1 inputs. The fair value was determined by reference to the underlying share price quoted on the open market at the reporting date.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and interest risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation causing the other party to incur a financial loss. The Company is exposed to credit risks arising from its cash. The Company manages credit risk by placing cash with major Canadian financial institutions. Management believes that credit risk is low.

Interest Rate Risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk relates to its ability to maintain the current rate of interest on its cash equivalents. Management believes the interest rate risk to be minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due. Management believes liquidity risk is high.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Company's functional currency is the Canadian dollar. The Company does not use any form of derivative or hedging instruments to reduce its foreign currency risk.

9. Capital management

The Company identifies capital as cash and share capital. The Company manages its capital structure and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management.

The properties in which the Company has interests are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for on-going general and administrative expenses, the Company will use existing working capital and raise additional capital as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no changes in its approach to capital management during the nine months ended June 30, 2023.

10. Commitments

Agreement with President and CEO

On May 15, 2022, the Company renewed its consulting agreement with a company owned and controlled by its President and CEO for a 12-month term. Under the agreement, the CEO was paid $5,000 per month. Effective January 1, 2023, the monthly compensation was reduced to $0.00. The CEO will be able to receive a bonus of 3% of the value of any merger, reverse takeover or material asset sale that occurs during his term. In the event that no such material asset sale occurs during his term, the CEO shall be eligible to earn a bonus of up to $50,000 as determined by the Company's other board members. Effective May 15, 2023, the consulting agreement was renewed informally on a month to month basis, subject to the Company's right to terminate the consulting agreement on one month's notice.

11. Events after the reporting period

Sale of MAS Gold shares and rights

The Company sold a total of 1,655,000 Shares of MAS Gold for net proceeds of $32,740. The Company sold 2,416,000 Rights of MAS Gold for net proceeds of $11,560 (see also Note 3).