

NINE MILE METALS LTD.

Condensed Interim Financial Statements

Three Months Ended December 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED 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 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 standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

NINE MILE METALS LTD.

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

	December 31, 2022 \$	September 30, 2022 \$
	(unaudited)	
ASSETS		
Current assets		
Cash	1,558,319	1,073,662
Amounts receivable	160,752	82,715
Prepaid expenses	121,727	38,861
Total current assets	1,840,798	1,195,238
Non-current assets		
Exploration and evaluation assets (Note 3)	4,102,900	4,052,900
Total assets	5,943,698	5,248,138
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	173,800	18,004
Due to related parties (Note 4)	16,459	4,000
Total liabilities	190,259	22,004
Shareholders' equity		
Share capital (Note 5)	14,952,714	13,753,731
Equity reserve (Note 7)	886,046	843,106
Deficit	(10,085,321)	(9,370,703)
Total shareholders' equity	5,753,439	5,226,134
Total liabilities and shareholders' equity	5,943,698	5,248,138

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 11)

Approved and authorized for issuance on behalf of the Board of Directors on February 27, 2023:

/s/ "Patrick Cruickshank"

Patrick Cruickshank, Director

/s/ "James Bordian"

James Bordian, Director

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

NINE MILE METALS LTD.

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

	Three months ended December 31, 2022 \$	Three months ended December 31, 2021 \$
Expenses		
Consulting fees (Note 4)	107,600	19,760
Management fees (Note 4)	55,000	25,500
Mineral exploration costs (Note 3)	463,491	–
Office and miscellaneous (Note 4)	32,728	9,729
Professional fees	12,138	34,526
Rent (Note 5)	10,500	6,750
Share-based compensation (Note 7)	17,648	–
Transfer agent and filing fees	10,527	16,511
Wages and benefits	5,346	3,990
Total expenses	714,978	116,766
Other income (expense)		
Interest income	360	–
Accretion of discount on loan payable	–	(1,805)
Total other income (expense)	360	(1,805)
Net loss and comprehensive loss for the period	(714,618)	(118,571)
Loss per share, basic and diluted	(0.01)	(0.01)
Weighted average shares outstanding	53,754,275	21,918,729

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

NINE MILE METALS LTD.

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

	Share capital		Equity reserve	Deficit	Total shareholders' equity
	Number of shares	Amount \$	\$	\$	\$
Balance, September 30, 2021	21,918,729	8,295,021	259,747	(7,648,063)	906,705
Net loss for the period	–	–	–	(118,571)	(118,571)
Balance, December 31, 2021	21,918,729	8,295,021	259,747	(7,766,634)	788,134
Balance, September 30, 2022	52,982,354	13,753,731	843,106	(9,370,703)	5,226,134
Units issued for cash	3,971,875	1,271,000	–	–	1,271,000
Share issuance costs	–	(121,182)	41,237	–	(79,945)
Shares issued upon exercise of finder's warrants	70,680	49,165	(15,945)	–	33,220
Share-based compensation	–	–	17,648	–	17,648
Net loss for the period	–	–	–	(714,618)	(714,618)
Balance, December 31, 2022	57,024,909	14,952,714	886,046	(10,085,321)	5,753,439

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

NINE MILE METALS LTD.

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

	Three months ended December 31, 2022 \$	Three months ended December 31, 2021 \$
Operating activities		
Net loss for the period	(714,618)	(118,571)
Items not involving cash:		
Accretion of discount on loan payable	–	1,805
Share-based compensation	17,648	–
Changes in non-cash operating working capital:		
Amounts receivable	(78,037)	6,592
Prepaid expenses	(82,866)	10,523
Accounts payable and accrued liabilities	155,796	21,440
Due to related parties	12,459	–
Net cash used in operating activities	(689,618)	(78,211)
Investing activities		
Acquisition of exploration and evaluation assets	(50,000)	–
Net cash used in investing activities	(50,000)	–
Financing activities		
Proceeds from exercise of finder's warrants	33,220	–
Proceeds from issuance of units	1,271,000	–
Share issuance costs	(79,945)	–
Net cash provided by financing activities	1,224,275	–
Change in cash	484,657	(78,211)
Cash, beginning of period	1,073,662	947,358
Cash, end of period	1,558,319	869,147
Non-cash investing and financing activities:		
Fair value of finder's warrants for share issuance costs	41,237	–

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

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Three Months Ended December 31, 2022
(Expressed in Canadian Dollars)
(Unaudited)

1. Nature of Operations and Continuance of Business

Nine Mile Metals Ltd. (the "Company") was incorporated under the Business Corporations Act in British Columbia on June 8, 2018 as 1167609 B.C. Ltd. On November 19, 2018, the Company changed its name to Stevens Gold Nevada Inc. On April 12, 2021, the Company filed a Certificate of Amalgamation, whereby the Company and its wholly-owned subsidiaries, Lynx Gold Mining Corp., and Lynx Gold Corp. were amalgamated as one company under the name Stevens Gold Nevada Inc. On January 18, 2022, the Company changed its name to Nine Mile Metals Ltd. On June 14, 2022, the Company dissolved its wholly-owned subsidiary, Lynx Gold Exploration Corp. The principal business of the Company is to acquire, explore, and develop mineral properties and ultimately seek earnings by exploiting mineral claims. The Company's shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "NINE" and are trading on the OTCQB Venture Market ("OTCQB") under the stock symbol "VMSXF". The Company's registered office is located at 350 – 1650 West 2nd Avenue, Vancouver, BC.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the three months ended December 31, 2022, the Company had no revenues and incurred negative cash flow from operations of \$689,618. At December 31, 2022, the Company had an accumulated deficit of \$10,085,321. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, "*Interim Financial Reporting*". These condensed interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates and Judgments

The preparation of these condensed interim financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Three Months Ended December 31, 2022
(Expressed in Canadian Dollars)
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2. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments (continued)

Significant areas requiring the use of estimates include recoverability of exploration and evaluation assets, fair value of share-based payments, and unrecognized deferred income tax assets. Actual results could differ from those estimates.

Judgments made by management include the factors used to determine the assessment of whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the Company's accounting policy exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the condensed interim statement of operations in the period when the new information becomes available.

(c) Accounting Standards Issued But Not Yet Effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

3. Exploration and Evaluation Assets

Acquisition costs:

	Canoe Landing Lake West Project \$	Canoe Landing Lake East Project \$	Nine Mile Brook Project \$	California Lake Project \$	Total \$
Balance, September 30, 2022	979,600	36,250	2,990,800	46,250	4,052,900
Additions	—	—	50,000	—	50,000
Balance, December 31, 2022	979,600	36,250	3,040,800	46,250	4,102,900

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Three Months Ended December 31, 2022
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(Unaudited)

3. Exploration and Evaluation Assets (continued)

Mineral exploration costs:

Three months ended December 31, 2022:

	Nine Mile Brook Project \$	California Lake Project \$	Total \$
Assays	561	10,766	11,327
Camp supplies	6,513	11,452	17,965
Consulting Fees	3,155	1,040	4,195
Drilling	95,838	130,496	226,334
Geological and geophysics	140,140	39,585	179,725
Rentals	7,300	16,645	23,945
	253,507	209,984	463,491

- (a) On November 28, 2021, the Company entered into a mineral property purchase and sale agreement (the "Agreement") with Fiddlehead Mining Corp. ("Fiddlehead") to acquire 100% of the rights, title, and interest in the Canoe Landing Lake West Project (the "Canoe Project") and 50% of the rights, title, and interest in the Nine Mile Brook Project (the "Nine Mile Project"), each located in New Brunswick, Canada. Under the terms of the Agreement, the Company was required to pay \$25,000 in cash (paid) and issue 21,000,000 common shares (issued).

In addition, under the terms of the Agreement, the Company also acquired a mineral property option to acquire the remaining 50% of the rights, title, and interest in Nine Mile Project ("Option Agreement"). Under the terms of the Option Agreement, the Company is required to make the following payments:

- \$25,000 upon signing the Agreement ("Option Fee") (paid);
- \$50,000 upon each anniversary of the Agreement ("Annual Option Fee"); and
- An additional payment of \$3,000,000 less the Option Fee and all Annual Option Fees paid.

The Company is also required to incur an aggregate of \$1,000,000 of expenditures on the Nine Mile Project, including at least \$500,000 of expenditures on or before 12 months following the effective date of the Agreement and a minimum of \$150,000 per year of expenditures after the first 12 months.

Fiddlehead shall retain a 3% Net Smelter Return Royalty ("NSR") on the properties.

In connection with the Agreement, the Company also issued 630,000 common shares as a finder's fee. The finder's fee was considered a transaction-related cost, and the Company recognized the fair value of the 630,000 common shares as part of the acquisition costs of the exploration and evaluation assets.

On November 22, 2022, the Company paid the Annual Option Fee of \$50,000.

- (b) On March 1, 2022, the Company entered into a property purchase agreement (the "Agreement") with two individuals (the "Vendors") to acquire 100% of the rights, title, and interest in 35 claim units around the Nine Mile Brook Project, located in New Brunswick, Canada. Under the terms of the Agreement, the Company is required to pay \$15,000 in cash (paid) and issue 75,000 common shares (issued).

The vendors shall retain a 1% Net Smelter Return Royalty on the property, which the Company has the right to purchase for \$1,000,000 at any time prior to commencement of commercial production.

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Three Months Ended December 31, 2022
(Expressed in Canadian Dollars)
(Unaudited)

3. Exploration and Evaluation Assets (continued)

(c) On April 25, 2022, the Company entered into a mineral property option agreement ("Agreement") with a vendor to acquire 100% of the rights, title, and interest in 12 mineral claims: California Lake (6 claims), Canoe Landing Lake East (4 claims); and Nine Mile Brook area (2 claims) of the Bathurst Mining Camp, located in New Brunswick, Canada. To exercise its option to acquire the mineral claims, the Company must pay \$100,000 and issue 1,500,000 common shares during a period of up to three years as follows:

- \$20,000 and 500,000 common shares on the date of the Agreement (paid and issued);
- \$20,000 and 333,334 common shares on the first anniversary of the date of the Agreement;
- \$30,000 and 333,334 common shares on the second anniversary of the date of the Agreement; and
- \$30,000 and 333,334 common shares on the third anniversary of the date of the Agreement.

The vendor shall retain a 2% Net Smelter Return Royalty ("NSR") on the property. The Company has the right to purchase half of the NSR or \$1,000,000 at any time

4. Related Party Transactions

- (a) During the three months ended December 31, 2022, the Company incurred management fees of \$22,500 (2021 – \$22,500) to the President and former Chief Executive Officer of the Company.
- (b) During the three months ended December 31, 2022, the Company incurred management fees of \$25,500 (2021 – \$nil) to a company controlled by the Chief Executive Officer ("CEO") of the Company. As at December 31, 2022, the Company owed the CEO \$812 (September 30, 2022 - \$nil). The amounts are unsecured, non-interest bearing and due on demand.
- (c) During the three months ended December 31, 2022, the Company incurred management fees of \$3,000 (2021 – \$3,000) to the Chief Financial Officer ("CFO") of the Company.
- (d) During the three months ended December 31, 2022, the Company incurred a total of \$4,000 in directors' fees (2021 - \$nil) to two directors of the Company. As at December 31, 2022, the Company owed the directors \$2,000 (September 30, 2022 - \$4,000). The amounts are unsecured, non-interest bearing and due on demand.
- (e) During the three months ended December 31, 2022, the Company incurred mineral exploration costs of \$24,000 (2021 - \$nil) to companies controlled by a director of the Company.
- (f) During the three months ended December 31, 2022, the Company incurred an aggregate of \$9,100 (2021 - \$nil) in mineral exploration costs by a company controlled by directors of the Company.
- (g) During the year ended September 30, 2022, the Company incurred mineral exploration costs of \$28,140 (2021 – \$nil) to a company controlled by the sons of the CEO of the Company. As at December 31, 2022, the Company owed the company controlled by the sons of the CEO of the Company \$2,622 (September 30, 2022 – \$nil).
- (h) During the three months ended December 31, 2022, the Company incurred consulting fees of \$21,000 (2021 – \$18,000) to a company controlled by the son of the CFO of the Company.
- (i) During the three months ended December 31, 2022, the Company incurred rent of \$10,500 (2021 – \$9,000) to a company with common officers and directors. As at December 31, 2022, the Company owed the company with common officers and directors \$11,025 (September 30, 2022 – \$nil).

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Three Months Ended December 31, 2022
(Expressed in Canadian Dollars)
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5. Share Capital

Authorized: Unlimited number of common shares without par value.

Share transactions during the three months ended December 31, 2022:

- (a) On November 7, 2022, the Company issued 70,680 common shares for proceeds of \$33,220 pursuant to the exercise of finder's warrants. The fair value of the finder's warrants exercised of \$15,945 was transferred from share-based payment reserve to share capital upon exercise.
- (b) On December 7, 2022, the Company issued 534,375 flow-through units ("FT Unit") at \$0.32 per FT Unit for proceeds of \$171,000. Each FT Unit consisted of one flow-through common share of the Company and one-half of one non-flow-through common share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one common share at \$0.45 per share expiring on December 7, 2024. In connection with the private placement, the Company incurred share issuance costs of \$2,982.
- (c) On December 12, 2022, the Company issued 1,875,000 flow-through units ("FT Unit") at \$0.32 per FT Unit for gross proceeds of \$600,000. Each FT Unit consisted of one flow-through common share of the Company and one-half of one non-flow-through common share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one common share at \$0.45 per share expiring on December 12, 2024. In connection with the private placement, the Company incurred finders' fees of \$36,000, share issuance costs of \$2,982, and issued 112,500 finders' warrants with a fair value of \$18,303. Each finder's warrant is exercisable at \$0.45 per share expiring on December 12, 2024.
- (d) On December 19, 2022, the Company issued 1,562,500 flow-through units ("FT Unit") at \$0.32 per FT Unit for gross proceeds of \$500,000. Each FT Unit consists of one flow-through common share of the Company and one-half of one non-flow-through share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one common share at \$0.45 per share expiring on December 19, 2024. In connection with the private placement, the Company incurred finders' fees of \$35,000, share issuance costs of \$2,981, and issued 109,375 finders' warrants with a fair value of \$22,934. Each finder's warrant is exercisable at \$0.45 per share expiring on December 19, 2024.

Share transactions during the three months ended December 31, 2021:

- (e) On December 20, 2021, the Company completed a 2-for-1 consolidation of its issued and outstanding common shares. All share and per share amounts in these condensed interim financial statements have been retroactively restated for all periods presented.

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Three Months Ended December 31, 2022
(Expressed in Canadian Dollars)
(Unaudited)

6. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, September 30, 2022	13,931,984	0.37
Issued	2,207,812	0.45
Exercised	(70,680)	0.47
Expired	(2,788,927)	0.47
Balance, December 31, 2022	13,280,189	0.36

As at December 31, 2022, the following share purchase warrants were outstanding:

Exercise price \$	Expiry date	Warrants outstanding	Weighted average remaining contracted life (years)
0.56	February 25, 2023	2,211,272	0.15
0.38	July 28, 2024	492,080	1.58
0.28	July 28, 2024	8,369,025	1.58
0.45	December 7, 2024	267,187	1.94
0.45	December 12, 2024	1,050,000	1.95
0.45	December 19, 2024	890,625	1.97

7. Stock Options

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, September 30, 2022	4,650,000	0.25
Cancelled	(300,000)	0.25
Outstanding, December 31, 2022	4,350,000	0.25
Exercisable, December 31, 2022	4,300,000	0.25

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Three Months Ended December 31, 2022
(Expressed in Canadian Dollars)
(Unaudited)

7. Stock Options (continued)

Additional information regarding stock options outstanding as at December 31, 2022, is as follows:

Number of options outstanding	Number of options exercisable	Weighted average remaining contracted life (years)	Weighted average exercise price \$
650,000	650,000	2.72	0.50
2,600,000	2,600,000	4.25	0.18
100,000	50,000	1.42	0.25
500,000	500,000	1.45	0.25
500,000	500,000	1.62	0.25
4,350,000	4,300,000	3.43	0.25

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the three months ended December 31, 2022, the Company recognized share-based compensation expense of \$17,648 (2021 – \$nil) in share-based payment reserve. During the three months ended December 31, 2022, the weighted average fair value of each option granted was \$0.23 (2021 – \$nil).

The weighted average assumptions used in calculating the fair value of share-based compensation expense, assuming no dividends or expected forfeitures, are as follows:

	2022	2021
Risk-free interest rate	3.88%	—
Expected volatility	141%	—
Expected life (years)	1.68	—

8. Fair Value Measurements and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's financial instruments, which include cash, accounts payable and accrued liabilities, and due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements
Three Months Ended December 31, 2022
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(Unaudited)

8. Fair Value Measurements and Risk Management (continued)

(c) Foreign Exchange Rate Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. As at December 31, 2022, the Company has a cash balance of US\$3,317 denominated in U.S. dollars. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

9. Capital Management

The Company's objectives when managing capital are to raise the necessary equity financing to fund its projects and to manage the equity funds raised which best optimizes its programs and the interests of its equity shareholders at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity. 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 raise additional equity funds. The Company is not subject to externally imposed capital requirements.

10. Segmented Information

The Company operates in one industry, the mineral resource industry, with all current exploration activities conducted in Canada.

11. Subsequent Event

- (a) On January 11, 2023, the Company entered into consulting agreement, whereby the consultant will provide statistical and artificial intelligence services that assist in identifying targets on the Company's exploration properties for consideration of \$65,000, of which \$10,000 is payable upon execution of the agreement, \$22,500 is due on the 1 month anniversary of the agreement, and \$32,500 is due prior to the release of the final deliverables from the consultant. In addition, the Company agreed to acquire a mineral claim from the consultant, known as the Nine Mile Brook West claim, located in New Brunswick, Canada, for consideration of \$65,000, payable in common shares of the Company. The claim is subject to a 2% NSR, with the right to purchase back 1% of the NSR for \$500,000.
- (b) On February 9, 2023, the Company entered into a mineral property option agreement ("Agreement") with a vendor to acquire 100% of the rights, title, and interest in the Wedge Property

NINE MILE METALS LTD.

Notes to the Condensed Interim Financial Statements

Three Months Ended December 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

consisting of 114 claim units covering 25 km² of the Bathurst Mining Camp, located in New Brunswick, Canada. To exercise its option to acquire the mineral claims, the Company must pay \$150,000 and issue 1,200,000 common shares during a period of up to four years as follows:

- \$10,000 and 100,000 common shares on the date of the Agreement (paid and issued);
- \$20,000 and 200,000 common shares on the first anniversary of the date of the Agreement;
- \$30,000 and 200,000 common shares on the second anniversary of the date of the Agreement;
- \$40,000 and 300,000 common shares on the third anniversary of the date of the Agreement;
- and
- \$50,000 and 400,000 common shares on the fourth anniversary of the date of the Agreement.

The vender shall retain a 2% Net Smelter Return Royalty ("NSR") on the property. The Company has the right to purchase half of the NSR for \$1,000,000 at any time.

(c) On February 25, 2023, 2,211,272 warrants expired unexercised.