NORTH VALLEY RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED June 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

NORTH VALLEY RESOURCES LTD.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

As at	**Note**	**June 30, 2023**	**September 30, 2022**
		$	**$**
ASSETS			
Current			
Cash		**120,483**	200,326
Prepaid expenses	4	**3,158**	2,414
Other receivables		**2,595**	3,538
		126,236	206,278
Non-current			
Exploration and evaluation assets	5	**78,734**	53,009
Total assets		**204,970**	259,287
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		**1,198**	13,047
Due to related parties	6	**10,261**	10,261
Total liabilities		**11,459**	23,308
Shareholders' equity			
Share capital	7	**513,287**	513,286
Reserves	7	**58,278**	58,278
Deficit		**(378,054)**	(335,585)
Total shareholders' equity		**193,511**	235,979
Total liabilities and shareholders' equity		**204,970**	259,287

Nature of operations and going concern (Note 1)

These condensed interim financial statements were approved by the Board of Directors on July 28, 2023:

"Kenneth Ellerbeck"	*"Quinn Ellerbeck"*
Kenneth Ellerbeck, Director	*Quinn Ellerbeck, Director*

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

NORTH VALLEY RESOURCES LTD.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
		$	$	$	$
EXPENSES					
Bank charges and interest		12	6	71	82
Share-based compensation	7	-	-	-	-
General and administrative		4,534	6,161	15,651	19,092
Management fees		7,500	7,500	22,500	22,500
Professional fees		3,646	4,397	4,246	16,203
Loss and comprehensive loss		(15,692)	(18,064)	(42,468)	(57,877)
Loss per share – basic and diluted		(0.001)	(0.002)	(0.004)	(0.005)
Weighted average number of common shares outstanding – basic and diluted		10,075,000	9,975,000	10,075,000	9,975,000

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

NORTH VALLEY RESOURCES LTD.
Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Share Capital				
	Number of Shares	**Amount**	**Reserves**	**Deficit**	**Total Shareholders' Equity**
		$	**$**	**$**	**$**
Balance, September 30, 2021	9,975,000	508,286	58,278	(175,259)	**391,305**
Shares issued for exploration and evaluation asset	-	-	-	-	-
Net loss for the period	-	-	-	(57,876)	**(57,876)**
Balance, June 30, 2022	9,975,000	508,286	58,278	(233,135)	**333,429**
Balance, September 30, 2022	10,075,000	513,286	58,278	(335,585)	**235,979**
Reserves	-	-	-	-	-
Net loss for the period	-	-	-	(42,468)	**(42,468)**
Balance, June 30, 2023	10,075,000	513,286	58,278	(378,053)	**193,511**

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

NORTH VALLEY RESOURCES LTD.
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended June 30, 2023	**Nine Months Ended June 30, 2022**
	$	**$**
Operating activities:		
Net loss	**(42,468)**	(57,876)
Non-cash item:		
Share-based compensation	-	-
Changes in non-cash working capital items:		
Accounts Receivable	**943**	(3,011)
Prepaid expenses	**(745)**	1,755
Accounts payable and accrued liabilities	**(11,848)**	(5,888)
Due from related party	**-**	(5,000)
Net cash (used in) provided by operating activities	**(54,118)**	(70,020)
Investing activities:		
Exploration and evaluation assets	**(25,725)**	**(7,405)**
Net cash provided by investing activities	-	(7,405)
Financing activities:		
Proceeds from issuance of shares	-	-
Net cash provided by financing activities	-	-
Increase in cash	**(79,843)**	(77,425)
Cash, beginning	**200,326**	253,570
Cash, ending	**120,483**	176,145

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

1. NATURE OF OPERATIONS AND GOING CONCERN

North Valley Resources Ltd. (the "Company") was incorporated in the Province of British Columbia on January 26, 2012 under the Business Corporations Act of British Columbia. The Company is focused on acquisition, exploration and development of mineral properties in British Columbia. The Company's registered office is 255 Battle Street West, Kamloops BC V2C 1G8.

These condensed interim 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. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities, its ability to attain profitable operations and generate funds and raise equity capital or borrowings sufficient to meet current and future obligations. The Company may be able to raise funds through equity financings. However, there is no assurance that additional financing will be available on terms acceptable to the Company, or at all. These matters represent material uncertainties that cast significant doubt on the Company’s ability to continue as a going concern. These condensed interim financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary should the Company be unable to continue operations. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

The condensed interim financial statements of the Company 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 International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS, and should be read in conjunction with the Company’s audited financial statements for the years ended September 30, 2021 and 2020. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the financial statements for the year ended September 30, 2022 and 2021.

The condensed interim financial statements were authorized for issue by the Board of Directors of the Company on July 28, 2023.

Basis of measurement

These condensed interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 2 to the audited financial statements for the year ended September 30, 2022 and 2021.

Significant accounting judgements
The preparation of condensed interim financial statements in accordance with IAS 34 requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's condensed interim 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 of financial instruments;
- the classification and allocation of expenses as exploration and evaluation expenditures or operating expenses; and
- assessment of impairment of its exploration and evaluation assets.

Significant accounting estimates and assumptions

The preparation of condensed interim financial statements in accordance with IAS 34 requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and the recoverability measurement of deferred tax assets.

Recently Adopted Accounting Standards

Accounting standard 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.

4. PREPAID EXPENSES

	June 30, 2023	2022	**September 30, 2022**
Prepaid expenses	$ 3,158	$ 390	$ 2,414
Balance	**$ 3,158**	$ 390	**$ 2,414**

During the three months ended June 30, 2023, the Company made a prepayment of $2,500 towards geophysics reporting on the Comstock property.

(Unaudited - Expressed in Canadian dollars)

5. EXPORATION AND EVALUATION ASSETS

	Barnum Property	Comstock Property	Total
	$	$	$
Acquisition costs:			
Balance, March 31, 2023	-	25,000	25,000
Additions	-	-	-
Balance, June 30, 2023	-	25,000	25,000
Deferred exploration expenditures:			
Balance, March 31, 2023	-	28,009	28,009
Additions	-	25,725	25,725
Balance, June 30, 2023	-	53,734	53,734
Total	-	**78,734**	**78,734**

Barnum Property - BC

On June 15, 2020, and as amended on April 14, 2021, the Company entered into an option agreement with a director of the Company to acquire an undivided 100% interest in 6 mineral claims located in the Kamloops Mining District of British Columbia, Canada (the “Barnum Property”).

As per the amended terms, the Company agrees to pay an aggregate sum of $550,000 cash and 600,000 shares of the Company and to incur $895,000 of exploration expenditures on the Barnum Property by the fourth anniversary of the Company obtaining a listing (the “Listing Date”, August 9, 2021) on the CSE. The option payments are as follows:

- By October 1, 2020 - $85,000 in exploration expenditures (incurred);
- By the 2nd anniversary of the Listing Date (August 59, 2023) - 100,000 common shares and $110,000 additional expenditures;
- By the 3rd anniversary of the Listing Date (August 9, 2024) – 200,000 common shares, $100,000 cash and $300,000 additional expenditures; and
- By the 4th anniversary of the Listing Date (August 9, 2025) – 300,000 common shares, $450,000 cash and $400,000 additional expenditures.

The Barnum Property is subject to 2% net smelter return royalty (“NSR”), of which the Company may elect to purchase 1% of NSR for $1,000,000 prior to the commencement of commercial production.

As at September 30, 2022, the Company had no additional exploration planned for the property, consequently the interest was written down at September 30, 2022 to $nil and the company recognized an impairment charge of $78,744.

Comstock Property - BC

On April 14, 2021 the Company entered into an option agreement with a director of the Company to acquire an undivided 100% interest in 19 mineral claims located in the Kamloops Mining District of British Columbia, Canada (the “Comstock Property”).

In order to exercise the option, the Company agrees to pay the optionor an aggregate sum of $595,000 cash and 750,000 shares of the Company and to incur $715,000 of exploration expenditures on the Comstock Property by the fourth anniversary of the Listing Date (August 9, 2021).

5. EXPORATION AND EVALUATION ASSETS (continued)

The option payments are as follows:

- By the agreement date - $5,000 cash (paid);
- By the Listing date (August 9, 2021) – 100,000 common shares with a fair value of $10,000 (issued) and $5,000 cash (paid);
- By February 1, 2022 - $10,000 in exploration expenditures (incurred);
- By the 1st anniversary of the Listing Date (August 9, 2022) – 100,000 common shares with a fair value of $5,000 (issued), $10,000 cash and $105,000 additional expenditures;
- By the 2nd anniversary of the Listing Date (August 9, 2023) – 100,000 common shares, $50,000 cash and $200,000 additional expenditures;
- By the 3rd anniversary of the Listing Date (August 9, 2024) – 100,000 common shares, $100,000 cash and $200,000 additional expenditures; and
- By the 4th anniversary of the Listing Date (August 9, 2025) – 350,000 common shares, $425,000 cash and $200,000 additional expenditures.

The Comstock Property is subject to 2% NSR, of which the Company may elect to purchase 1% NSR for $1,000,000 prior to the commencement of commercial production.

6. RELATED PARTY BALANCES AND TRANSACTIONS

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. During the three months ended March 31, 2021 and 2020, there was no remuneration of directors and key management personnel.

During the three months ended June 30, 2023, the Company incurred management and consulting fees of $7,500 (June 30, 2022 - $7,500) with a related party company controlled by directors of the Company.

Related parties

During the three months ended June 30, 2023 and 2022, the Company incurred no share-based payments.

As at June 30, 2023, the Company has a balance payable of $5,260 (2022 - $5,260) to a company controlled by directors of the Company, for operating expenses and exploration and evaluation expenditures incurred. The amount payable due to related party is non-interest bearing, due on demand and bears no specific terms of repayment.

As at June 30, 2023, the Company has a balance payable of $5,001 (2022 - $5,001) to a director of the Company pursuant to the Comstock Property option agreement (note 3).

The balances payable due to related parties are non-interest bearing, due on demand and bears no specific terms of repayment.

7. SHARE CAPITAL

Authorized Share Capital

Unlimited number of common shares without par value.

(Unaudited - Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

Common Shares

During the three and six months ended June 30, 2023

During the three and nine months ended June 30, 2023, the Company did not issue common shares.

During the year ended September 30, 2022

On August 25, 2022, the Company issued 100,000 common shares with a fair value of $5,000 as a payment of the Comstock Property option agreement.

Escrowed shares

As at June 30, 2023, 1,968,750 shares were held in escrow (September 30, 2022 – 2,625,000).

Stock Options

The Company has a stock option plan (the "Plan") that provides to the Company's directors, officers, key employees and service providers to purchase common shares in the capital stock of the Company. Terms and pricing of options are determined at the date of grant in accordance with the Plan.

On October 15, 2020, the Company granted 500,000 stock options to three directors of the Company to purchase 500,000 common shares at $0.10 per share. All the stock options vested immediately upon the date of grant and have an expiry date on October 15, 2025.

On May 6, 2021, the Company granted 100,000 stock options to a director of the Company to purchase 100,000 common shares at $0.10 per share. All the stock options vested immediately upon the date of grant and have an expiry date on May 6, 2026.

The fair value of the options granted was $48,100 calculated using the Black-Scholes pricing model with the following weighted average assumptions: stock price of $0.10, expected life of 5 years, expected volatility of 115%, dividend yield of 0%, risk-free interest rate of 0.34%. The Company estimates the volatility based on historical share prices of comparable companies.

The stock option transactions are summarized below:

	Number of Options	**Weighted Average Exercise Price**
		$
Balance, September 30, 2021 and 2022	600,000	0.10
Balance, June 30, 2023	**600,000**	**0.10**

(Unaudited - Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

As at June 30, 2023, the following stock options were outstanding and exercisable:

Date of Expiry	Weighted Average Remaining Life (years)	Exercise Price	Number of Options outstanding and exercisable
		$	
October 15, 2025	2.3	0.10	500,000
May 6, 2026	2.9	0.10	100,000
			600,000

As at July 30, 2023, the weighted average life of the options was 2.39 years.

Warrants

The following is a summary of the Company's warrant transactions:

	Number of warrants	Weighted Average Exercise Price
		$
Balance, September 30, 2021 and 2022	195,650	0.10
Balance, March 31, 2023	-	-
Balance, June 30, 2023	-	-

As at June 30, 2023, the Company has no warrants outstanding.

8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

9. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk and foreign currency exchange risk. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

9. FINANCIAL INSTRUMENTS (continued)

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Cash is measured at Level 1. The fair values of other financial instruments, which include accounts payable and accrued liabilities, other receivables and due from / to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

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's current exposure to interest rate arises from the interest rate impact on its cash. The fair value of cash is not significantly affected by changes in short term interest rates.

b) Credit risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, which is held with a high-credit financial institution. As such, the Company's credit exposure is minimal.

c) Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company addresses its liquidity through equity financing obtained through the sale of common shares. 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.

d) Foreign currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company is not exposed to foreign exchange risk.

10. SUBSEQUENT EVENTS

a) On July 12, 2023, the Company entered into an amended and restated option agreement with respect to the Comstock Property (the "A&R Comstock Option Agreement") with a director of the company. This A&R Comstock Option Agreement amends and restates the previously disclosed Comstock option agreement dated April 14, 2021, pursuant to which the Company has the option to acquire an undivided 100% interest in the Comstock property from a director of the Company "the Optionor". The Company and the Optionor have amended the Comstock Property Option Agreement terms schedule such that the Company will not have to make share or cash payments on the Company's second listing anniversary, and will have to reach exploration expenditures of $30,000 by the Company's second listing anniversary. Additionally, the Company will now have to make a share payment of 200,000 shares and reach exploration expenditures of $50,000 by the Company's third listing anniversary. Also, on the Company's fourth listing anniversary, the Company will now have to make a $585,000 cash payment and reach exploration expenditures of $625,000. No other terms of the option agreement have been amended.

b) On July 12, 2023, the Company entered into an amended and restated option agreement with respect to the Barnum property (the "A&R Barnum Option Agreement"). This A&R Barnum Option Agreement amends and restates the previously disclosed Barnum option agreement dated

10. SUBSEQUENT EVENTS (continued)

b) June 15, 2020, as amended on April 14, 2021, pursuant to which the Company has the option to acquire an undivided 100% interest in the Barnum property from a director of the Company "the optionor". The Company and the Optionor have amended the Barnum Property Option agreement terms schedule such that the Company will not have to make share or cash payments, or exploration expenditures prior to the Company's second and third listing anniversaries. The Company's milestone payments for the fourth- year listing anniversary have been changed to $550,000 in cash payment, a 600,000 share payment, and $810,000 in exploration expenditures. No other terms of the option agreement have been amended.