

AURUM LAKE MINING CORPORATION
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

For the Periods Ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

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

AURUM LAKE MINING CORPORATION

Unaudited Interim Condensed Statements of Financial Position

As at September 30, 2023 and December 31, 2022

(Expressed in Canadian dollars)

	Notes	September 30, 2023	December 31, 2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		423,808	705,653
HST receivable		8,970	-
		432,778	705,653
Prepaid expenses	8	20,000	20,000
		452,778	725,653
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		153,702	136,235
		153,702	136,235
Shareholders' equity			
Common shares	4(a)	888,139	888,139
Warrants	4(b)	14,990	14,990
Reserves	4(c)	148,948	148,948
Deficit		(753,001)	(462,659)
		299,076	589,418
		452,778	725,653

Nature of operations and going concern (Note 1)

Commitments (Note 8)

Subsequent events (Note 8)

Approved on behalf of the Board

"Wesley Roberts", Director

"Patrick Sapphire", Director

AURUM LAKE MINING CORPORATION

Unaudited Interim Condensed Statements of Loss and Comprehensive Loss

For the periods ended September 30, 2023 and 2022

(Expressed in Canadian dollars, except for per share amounts)

	3 months ended September 30, 2023	3 months ended September 30, 2022	9 months ended September 30, 2023	9 months ended September 30, 2022
	\$	\$	\$	\$
Expenses				
Bank charges	191	187	1,476	325
Business development	67,893	34,401	132,946	60,101
General and administration	50	1,490	50	1,490
Stock based compensation	4(c) -	148,948	-	148,948
Filing and transfer agent expenses	414	12,695	18,274	16,703
Professional fees	39,887	5,251	147,442	29,575
	108,435	202,972	300,188	257,142
Loss from operations	(108,435)	(202,972)	(300,188)	(257,142)
Interest income	4,846	-	9,846	-
Net loss and comprehensive loss	(103,589)	(202,972)	(290,342)	(257,142)
Net loss per share				
Basic and diluted	(0.006)	(0.014)	(0.018)	(0.019)
Weighted average number of shares outstanding				
Basic and diluted	16,500,000	14,777,174	16,500,000	13,503,663

See accompanying notes to the financial statements.

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

AURUM LAKE MINING CORPORATION

Unaudited Interim Condensed Statements of Changes in Equity
 For the periods ended September 30, 2023 and 2022
 (Expressed in Canadian dollars, except for per share amounts)

	Notes	Common shares		Warrants	Reserves	Deficit	Total shareholders' equity
		Number	Amount				
			\$	\$	\$	\$	\$
Balance at December 31, 2021		12,000,001	591,519		-	(19,164)	572,355
Share repurchased and cancelled 4(a)		(1)	(1)	-	-	-	(1)
Shares issued for cash	4(a)	4,500,000	400,000	-	-	-	400,000
Share issue costs	4(a),(b)	-	(103,379)	14,990	-	-	(88,389)
Grant of stock options	4(c)	-	-	-	148,948	-	148,948
Net loss		-	-	-	-	(257,142)	(257,142)
Balance at September 30, 2022		16,500,000	888,139	14,990	148,948	(276,306)	775,771
Balance at December 31, 2022		16,500,000	888,139	14,990	148,948	(462,659)	589,418
Net loss		-	-	-	-	(290,342)	(290,342)
Balance at September 30, 2023		16,500,000	888,139	14,990	148,948	(753,001)	299,076

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

AURUM LAKE MINING CORPORATION

Unaudited Interim Condensed Statements of Cash Flows
 For the periods ended September 30, 2023 and 2022
 (Expressed in Canadian dollars)

	Notes	9 months ended September 30, 2023	9 months ended September 30, 2022
		\$	\$
Operating activities			
Net loss		(290,342)	(257,142)
Items not involving cash			
Share based compensation		-	148,948
Changes in non-cash working capital		8,497	(36,503)
		(281,845)	(144,697)
Financing activities			
Repurchase of share	4(a)	-	(1)
Shares issued for cash	4(a)	-	400,000
Share issue costs	4(a)	-	(54,940)
		-	345,059
(Decrease) Increase in cash		(281,845)	200,362
Cash, beginning of period		705,653	579,913
Cash and cash equivalents, end of period		423,808	780,275

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

Aurum Lake Mining Corporation
Notes to the Unaudited Interim Condensed Financial Statements
For the periods ended September 30, 2023 and 2022
(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Aurum Lake Mining Corporation (“Aurum” or the “Company”) was incorporated under the Business Corporations Act of British Columbia, Canada on June 2, 2021. The Company’s head office and registered office is 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7.

The Company is incorporated for the purpose to be a Capital Pool Company (“CPC”) as per the policy 2.4 of the TSX Venture Exchange (the “Exchange”) with a view to complete a Qualifying Transaction. It completed an Initial Public Offering on July 19, 2022 and its shares are traded on the Toronto Stock Exchange Venture with a symbol “ARL.P”. As at September 30, 2023 the Company has not commenced commercial operations and has no assets other than cash and deferred share issuance cost. The Company will not carry on any business other than in the identification and evaluation of assets or business with a view to completing a Qualifying Transaction (“QT”) as defined under the policies of the Exchange.

These unaudited interim condensed financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not yet achieved profitable operations with working capital of \$279,076 as of September 30, 2023 (December 31, 2022 - \$569,418) and incurred a net loss of \$290,342 for the nine months period ended September 30, 2023 (2022 - \$257,142).

The ability of the Company to carry out its business objectives is dependent on its ability to secure continued financial support from related parties, to obtain equity financing, or to ultimately attain profitable operations in the future. Whether and when the Company can attain profitability and positive cash flows is uncertain. Based on its current plans, budgeted expenditures, and cash requirements, the Management of the Company believes it should be able to finance sufficient cash for its current plans for at least 12 months from September 30, 2023.

For these reasons, the Company continues to adopt the going concern basis in preparing the financial statements.

2. Basis of presentation and statement of compliance

Statement of compliance

These unaudited interim condensed financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The significant accounting policies applied in these financial statements are presented below.

The policies used for preparation of these unaudited interim condensed consolidated financial statements were the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended December 31, 2022 and were consistently applied to all the periods presented unless otherwise noted below. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2022.

Aurum Lake Mining Corporation
Notes to the Unaudited Interim Condensed Financial Statements
For the periods ended September 30, 2023 and 2022
(Expressed in Canadian Dollars)

2. Basis of presentation and statement of compliance (continued)

These unaudited interim condensed financial statements were prepared on a going concern basis under the historical cost convention and these financial statements were authorized for issuance by the Board of Directors of the Company on November 1, 2023.

Functional and presentation currency

These financial statements have been presented in Canadian dollars (“\$”) which is the functional currency of the Company.

New standards and interpretations not yet adopted

There are no new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are applicable or are consequential to the Company that needs to be disclosed.

3. Significant accounting judgements and estimates

The preparation of the Company’s financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. Actual results could differ from these estimates.

The critical accounting estimates and judgements used for preparation of these unaudited interim condensed financial statements were the same as the audited financial statements of the Company for the year ended December 31, 2022.

4. (a) Share capital

Authorized: Unlimited common shares at no par value.

Issued and outstanding: 16,500,000 common shares

As at September 30, 2023, the Company had 16,500,000 common shares issued and outstanding.

On January 11, 2022, 1 common share issued on incorporation was repurchased at \$1 and cancelled.

On April 28, 2022 the Company issued 1,000,000 common shares in the capital of the Company to three directors and officers of the Company at a price of \$0.05 per share for gross proceeds of up to \$50,000

Aurum Lake Mining Corporation
Notes to the Unaudited Interim Condensed Financial Statements
For the periods ended September 30, 2023 and 2022
(Expressed in Canadian Dollars)

4. (a) Share capital (continued)

On May 13, 2022, the Company had filed a final prospectus with the securities regulatory authorities in the provinces of British Columbia, Ontario and Alberta, and pursuant to an agency agreement (the "Agency Agreement") dated October 26, 2021 between the Company and Research Capital Corporation (the "Agent") to offer 3,500,000 common shares to raise \$350,000 at \$0.10 per common share. The Agent would receive a cash commission of 8% of the gross proceeds from the sale of the common shares. The Company would also issue Agent's Warrants, which would be 8% of the total number of common shares sold to the public, at an exercise price of \$0.10 per Agent's Warrant expiring 24 months from the closing date of the offering. The Initial Public Offering was completed on July 19, 2022. In the period ended December 31, 2021, the Company had paid \$20,000 in Agent's expenses, in addition to reasonable legal fees, applicable taxes and disbursements which totals \$33,449 recorded as deferred share issuance cost. The Company recorded \$103,379 share issue costs for the year 2022, that include the \$33,449 deferred expenses, \$54,940 cash costs to commission and professional fees, and \$14,990 value of the Agent's Warrants.

The Company's directors and officers have signed an escrow agreement and have placed 13,000,000 common shares into escrow. It will be released from escrow in stages over a period of 18 months from the date of the Final Qualifying Transaction Exchange Bulletin.

(b) Warrants

On July 19, 2022, on the closing of the IPO described in the Note 5, the Company issued 280,000 Agent's Warrants to the Agent. Each Agent's Warrant entitles the Agent to subscribe for one common share of the Company at an exercise price of \$0.10 per share before July 19, 2024. The value of the Agent's Warrants is determined to be \$14,990 using a Black Scholes model with the following assumptions: 0% dividend, risk free rate of 3.08%, expected life of 2 years, and stock price volatility of 100%. As at September 30, 2023, there were 280,000 warrants outstanding with average remaining life of 0.85 years.

(c) Reserves

On September 26, 2022, the Company granted 1,220,000 options to its directors, 330,000 options to consultant, and 100,000 options to its legal counsel. Each option entitles the holder to subscribe for one common share of the Company at an exercise price of \$0.10 per share before September 26, 2032. The options vested immediately on granting. The value of the 1,650,000 options is determined to be \$148,948 using a Black Scholes model with the following assumptions: 0% dividend, risk free rate of 3.08%, expected life of 10 years, and stock price volatility of 100%. As at September 30, 2023 there were 1,650,000 options outstanding.

Aurum Lake Mining Corporation
Notes to the Unaudited Interim Condensed Financial Statements
For the periods ended September 30, 2023 and 2022
(Expressed in Canadian Dollars)

5. Related party transactions

All transactions with related parties have occurred in the normal course of business operations.

On January 11, 2022, 1 common share was repurchased at \$1 from a corporation controlled by a director and cancelled. See also Note 4(a).

In the year ended December 31, 2022, the Company issued 1,000,000 common shares in the capital of the Company to three directors and officers of the Company at a price of \$0.05 per share for gross proceeds of up to \$50,000. See Note 6(a). In the year ended December 31, 2022, the Company granted 1,220,000 stock options to its directors. See Note 4(c).

6. Financial risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established a risk management strategy, which incorporates development and monitoring of the Company's risk management activities. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Company's approach to risk management is assessed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash. The Company's maximum exposure to this risk is equal to the carrying amount of these financial asset. The cash is held with a financial institution which is highly rated. The Company has assessed an insignificant loss allowance on these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have access to sufficient liquid assets to meet its current liabilities when they are due, under both normal and stressed conditions, without incurring excessive losses. Further, the Company's management is responsible for ensuring funds exist and are readily accessible to support business opportunities as they arise. The Company is exposed to this risk on its accounts payable and accrued liabilities.

7. Capital management

The Company's objectives when managing its capital are to maintain a sufficient capital base to: (i) meet its short-term obligations, (ii) sustain future operations and expansions, (iii) ensure its ability to continue as a going concern, and (iv) retain stakeholder confidence and value. The Company defines capital as its net assets, total assets less total liabilities. The company is not subject to any externally imposed capital requirements. As at September 30, 2023, the Company managed net asset of \$299,076.

Aurum Lake Mining Corporation
Notes to the Unaudited Interim Condensed Financial Statements
For the periods ended September 30, 2023 and 2022
(Expressed in Canadian Dollars)

8 Subsequent events and prepaid expenses

The Company has announced that it has entered into an agreement dated December 19, 2022 (the "Option Agreement") with Transition Metals Corp. (the "Optionor"). Pursuant to the Option Agreement, the Optionor has granted the exclusive right and option (the "Option") to the Company to acquire a 100% interest of the Optionor's rights to certain mineral claims known as the Homathko Gold Project, located in the Province of British Columbia (the "Property").

Pursuant to the Option Agreement, the Optionor will retain a net smelter royalty of 2.0% on all mineral production on the Property and the Option is also subject to an underlying net smelter royalty of 1.0% on tenures 1010863, 761502 and 761522 to Nova Royalty Corp. In consideration of the grant of the Option, the Company will pay a total of \$470,000 to the Optionor in cash payments per the schedule listed below, incur work program expenditures on the Property totalling \$500,000 over two years, and make a one-time \$5,000,000 lump sum payment to the Optionor upon the commencement of commercial production, in addition to making such payments as necessary to keep the Property in good standing during the term of the Option.

The cash payments will be made as follows: (i) \$20,000 on signing; (ii) an additional \$100,000 three days following the date the Option Agreement is accepted for filing by the Exchange (the "Effective Date"); (iii) an additional \$150,000 on the first anniversary of the Effective Date; and (iv) an additional \$200,000 on the second anniversary of the Effective Date. The work program expenditures will be made in accordance with the following schedule: (i) \$100,000 by the first anniversary of the Effective Date; and (ii) a cumulative total of \$500,000 by the second anniversary of the Effective Date.

The Option Agreement and the Transaction are subject to a number of conditions including, but not limited to, receipt of all required regulatory approvals, including Exchange approval. The Transaction will be an arm's length transaction, and accordingly, will not require approval of the shareholders of Aurum Lake.

The Property is located in the Cariboo Region of British Columbia, approximately 57 kilometres south of the community of Tatla Lake, which lies 222 kilometres west of Williams Lake. The Property comprises of 35 contiguous mineral claims, encompassing a total of 30,971 hectares. Over its history, multiple mineralized veins were discovered in this area with high-grade gold values.

In connection with the completion of its proposed qualifying transaction with the Optionor (the "Qualifying Transaction"), Aurum will complete a best-efforts non-brokered financing (the "Financing") raising gross proceeds of up to a minimum of \$2,000,000, through the issuance of a total of up to a minimum of 5,000,000 Common Shares, at a price of \$0.40 per Common Share. In connection with the Financing, Aurum will pay certain arm's length finders (a "Finder") a finder's fees in the amount of: (i) a cash commission (the "Cash Fee") in the amount of 6% of the gross proceeds raised in the Financing from persons introduced to Aurum by the Finder, and (ii) issue compensation warrants ("Finder's Warrants") equal to 6% of the aggregate Common Shares subscribed for by persons introduced to Aurum by the Finder. The payment of the Cash Fee and the issuance of the Finder's Warrant will occur upon on completion of the Qualifying Transaction. Each Finder's Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.40 per Common Share for a period of twenty-four (24) months from the date of issuance of the respective Finder's Warrant.

The Company has recognized the \$20,000 liability on signing that is recorded as a prepaid as of September 30, 2023 and December 31, 2022, that has been paid in the period ended September 30, 2023. The Company has accrued liabilities of \$153,185 for professional fees related for the transaction as of September 30, 2023 (December 31, 2022 - \$71,950).