CANADA SILVER COBALT WORKS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Canada Silver Cobalt Works Inc. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

CANADA SILVER COBALT WORKS INC.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

	Notes	**As at March 31, 2023**	As at December 31, 2022 (Audited)
		$	$
ASSETS			
Current assets			
Cash		**-**	323,635
Amounts receivable	3	**118,938**	855,908
Prepaid expenses	9	**497,967**	661,170
Marketable securities	4	**327,325**	327,325
Total current assets		**944,230**	2,168,038
Property, plant, and equipment	6	**2,300,705**	2,385,778
Due from Granada Gold Mine Inc.	3	**-**	-
Total assets		**3,244,935**	4,553,816
EQUITY AND LIABILITIES			
Liabilities			
Current liabilities			
Bank indebtedness	11	**9,329**	-
Trade payables and accrued liabilities	9	**2,046,777**	1,771,415
Flow-through liability premium	10	**300,178**	515,377
Total liabilities		**2,356,284**	2,286,792
Equity			
Share capital	7	**60,602,715**	60,578,215
Reserves	7	**11,147,457**	11,161,418
Contributed surplus		**6,698,166**	6,620,260
Deficit		**(77,559,687)**	(76,092,869)
Total equity		**888,651**	2,267,024
Total equity and liabilities		**3,244,935**	4,553,816

Nature of Business and Going Concern (Note 1), **Exploration and Evaluation Projects** (Note 5), **Commitments and Contingencies** (Note 10) and **Subsequent Events** (Note 11)

APPROVED BY THE BOARD:

"Frank Basa"	*"Matt Halliday"*
Director	Director

CANADA SILVER COBALT WORKS INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three Months Ended March 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

		March 31, 2023	March 31, 2022
		$	$
Expenses			
Exploration and evaluation	5,9	**793,044**	**1,894,725**
Corporate			
Accounting and audit		**7,770**	**10,000**
Admin and general expenses		**13,304**	**82,959**
Corporate development		**295**	**96,000**
Filing costs and shareholders’ information		**52,793**	**160,638**
Legal fees		**13,551**	**25,793**
Marketing and communications		**88,325**	**134,810**
Consulting and professional fees		**131,371**	**69,039**
Salaries and wages		**77,765**	**10,814**
Temiskaming testing laboratory		**316,526**	**141,331**
Stock-based compensation	7,9	**63,945**	**118,020**
Travel, lodging and food		**31,699**	**10,618**
Total corporate expenses		**797,344**	**860,022**
Other items			
Other expenses (income)		**89,629**	**37,305**
Premium on flow-through shares	10	**(215,199)**	**(1,339,242)**
Impairment of amounts due from Granada Gold Mine Inc.	3	**2,000**	-
Gain on sale of equipment		**-**	**(1,482)**
Realized and unrealized loss on marketable securities	4	**-**	**131,800**
Total other items		**(123,570)**	**(1,171,619)**
Total expenses		**1,466,818**	**1,583,128**
Net loss and comprehensive loss for the period		**(1,466,818)**	**(1,583,128)**
Net loss per share – basic and diluted		**(0.006)**	(0.009)
Weighted average number of shares outstanding basic and diluted		**234,560,709**	**176,089,140**

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

CANADA SILVER COBALT WORKS INC.
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited)

	Number of Shares	Share Capital	Reserves	Contributed Surplus	Deficit	Total Equity
		$	$	$	$	$
Balances, December 31, 2021	177,487,816	53,533,544	10,413,904	5,480,966	(64,824,224)	4,604,190
Exercise of warrants	250,000	62,500	-	-	-	62,500
Exercise of warrants –book value	-	12,652	(12,652)	-	-	-
Options expired	-	-	(166,890)	166,890	-	-
Issued for exploration and evaluation projects	100,000	53,750	-	-	-	53,750
Stock-based compensation	-	-	118,020	-	-	118,020
Net loss for the period	-	-	-	-	(1,583,128)	(16,413,314)
Balances, March 31, 2022	**177,837,816**	**53,662,446**	**10,352,382**	**5,647,856**	**(66,407,352)**	**3,255,332**
Balance, December 31, 2022	234,434,682	60,578,215	11,161,418	6,620,260	(76,092,869)	2,267,024
Options and warrants cancelled or expired	-	-	(77,906)	77,906	-	-
Issued for exploration and evaluation projects	300,000	24,500	-	-	-	24,500
Stock-based compensation	-	-	63,945	-	-	63,945
Net loss for the period	-	-	-	-	(1,466,818)	(1,466,818)
Balances, March 31, 2023	**234,734,682**	**60,602,715**	**11,147,457**	**6,698,166**	**(77,559,687)**	**888,651**

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

CANADA COBALT WORKS INC.
Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

	Notes	March 31, 2023	March 31, 2022
		$	$
OPERATING ACTIVITIES			
Loss before for the period:		(1,466,818)	(1,583,138)
Adjustments for:			
Amortization		85,073	72,383
Stock-based compensation		63,945	118,020
Unrealized loss on marketable securities		-	131,800
Flow-through premium		(215,199)	(1,339,242)
Gain on sale of equipment		-	(1,482)
Write-down of amounts due from Granada Gold Mine Inc.		2,000	-
Issuance of shares for mineral exploration property interest		24,500	53,750
Operating cash flows before movements in working capital			
(Increase) in amounts receivable		736,970	75,045
(Increase) in prepaid expenses		163,303	22,898
(Decrease) increase in current liabilities		275,362	(931,269)
Cash used in operating activities		(330,964)	(3,381,225)
INVESTING ACTIVITIES			
Proceeds received from sale of equipment		-	-
Purchase of property, plant, and equipment		-	(23,688)
Advances to Granada Gold Mine Inc.		(2,000)	(700,000)
Repayments from Granada Gold Mine Inc.		-	-
Purchase of marketable securities		-	(115,525)
Cash used in investing activities		(2,000)	(833,213)
FINANCING ACTIVITIES			
Warrant and option exercise		-	62,500
Cash from financing activities		-	62,500
(Decrease) in cash		(332,961)	(4,151,938)
Cash – beginning of period		323,635	4,217,908
Cash (bank indebtedness) – end of period		(9,329)	65,970

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

1. NATURE OF BUSINESS AND GOING CONCERN

Nature of business

Canada Silver Cobalt Works Inc. ("CCW" or the "Company") was incorporated on April 29, 2005 pursuant to the Canada Business Corporations Act. The address of the Company's head office is 3028 Quadra Court, Coquitlam, BC V3B 5X6. CCW's principal business activities are the acquisition, evaluation, exploration and development of mineral properties. To date, the Company has not realized any revenues from its properties. These consolidated financial statements were approved by the Board of Directors on June 13, 2023.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and evaluation activities, and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, government licensing requirements or regulations, social licensing requirements, non-compliance with regulatory and environmental requirements and aboriginal land claims.

Going concern

As at March 31, 2023, the Company had not yet achieved profitable operations, had a working capital deficiency of $1,412,054 (December 31, 2022: working capital deficiency of $118,754). For the three months ended March 31, 2023 the Company incurred a net loss of $1,466,818 (three months ended March 31, 2022: $1,583,128), had cash outflow from operations of $330,964 (three months ended March 31, 2022: $3,381,225), had accumulated losses of $77,559,687 (December 31, 2022: $76,092,869) and expects to incur future losses in the development of its business. These items represent material uncertainties which cast significant doubt about the ability of the Company to continue as a going concern. The Company is in the process of exploring its properties and has not yet determined whether these properties contain economically recoverable reserves. The continued operations of the Company are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing to complete the necessary exploration and development of such property and upon attaining future profitable production or proceeds from disposition of the properties. Management is actively pursuing additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. (Refer to Note 11).

As at March 31, 2023 the Company is committed to incur $5,443,541 in eligible exploration expenditures of expenses as required under the flow-through share offerings during 2022. These expenses must be incurred prior to December 31, 2023. See note 10(b). See also note 11 for details of the expenditure commitments related to flow-through share offerings that closed in 2023.

These condensed interim consolidated financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, as required by National Instrument 52-107 sec. 3.2(1)(b)(ii), and do not include all the information required for full annual financial statements by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) . These condensed interim consolidated financial statements were approved by the board of directors on June 13, 2023.

These interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2022.

Basis of presentation and functional currency

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that have been measured at fair value. The condensed interim consolidated financial statements have been presented on an accrual basis except for cash flow information. The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar.

Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods when the revision affects both current and future periods.

In the process of applying the Company’s accounting policies, management has made the same judgments, estimates, and assumptions which were set out in the Company’s annual financial statements for the year ended December 31, 2022.

(Unaudited - expressed in Canadian Dollars)

3. AMOUNTS RECEIVABLE

The Company's amounts receivable are comprised of the following:

		March 31, 2023		December 31, 2022
Current				
Due from Granada Gold Mine Inc.	$	**nil**	$	nil
Sales tax receivable		**118,938**		855,908
	$	**118,938**	$	855,908
Long-Term				
Due from Granada Gold Mine Inc.	$	**nil**	$	nil
	$	**nil**	$	nil

Amounts due from Granada are unsecured, non-interest bearing with no fixed terms of repayment. During the three months ended March 31, 2023, the Company advanced an aggregate of $2,000 (year ended December 31, 2022 - $1,074,295) to Granada, receiving an aggregate of $nil (year ended December 31, 2022 - $202,350) in repayments. As at March 31, 2023, the Company assessed the carrying value of the amount receivable, recording an impairment charge of $2,000 (year ended December 31, 2022 - $1,734,902) on the condensed interim consolidated statements of loss and comprehensive loss.

4. MARKETABLE SECURITES

The Company's marketable securities are comprised of the following:

	As at March 31, 2023		**As at December 31, 2022**	
	Cost	**FMV**	**Cost**	**FMV**
	$	**$**	**$**	**$**
Granada Gold Mine Inc. 13,093,000 shares (December 31, 2022 – 13,093,000 shares)	**2,393,880**	**327,325**	**2,393,880**	**327,325**
Total marketable securities	**2,393,880**	**327,325**	**2,393,880**	**327,325**

For the three months ended March 31, 2023, an unrealized loss of $nil (three months ended March 31, 2022 - $131,800) was recognized on the Company's condensed interim consolidated statements of loss and comprehensive loss in relation to changes in market value during the respective periods.

During the three months ended March 31, 2022, the Company acquired an additional 1,639,000 shares of Granada, a related party and shareholder of the Company, with which there are common directors and officers. The shares acquired during the period were acquired on secondary markets between January 13 and February 17, 2022, at prices between $0.065 and $0.075 per share.

5. EXPLORATION AND EVALUATION PROJECTS

Castle Silver Mine Project, Ontario

CCW holds a 100% interest in certain claims and parcels located in the Haultain and Nicol townships of Ontario. The property is subject to a sliding scale royalty on silver production which will start from 3% when the price of silver is US$15 or lower per troy ounce and up to 5% when the price of silver is greater than US$30 per troy ounce and a 5% gross overriding royalty on the sale of products derived from the property with a minimum annual payment of $15,000 in the form of royalties on all future production from the property and a 1% net smelter return royalty ("NSR").

Castle East Property, Ontario

In 2020, CCW entered into a Purchase and Sale Agreement with Granada, a related party with which there are common directors and officers, pursuant to which the Company repurchased from Granada a back-in option on five mining leases at Castle East, forming part of the Castle mine property near Gowganda, Ontario. In payment, CCW issued 2,941,000 common shares to Granada. Each of the shares were accompanied by one common share purchase warrant. Each warrant entitles Granada to acquire one additional common share of CCW for $0.55 for a period of five years. The common shares issued were valued at $1,764,600 based on a common share price of $0.55, and the common share purchase warrants were valued at $1,293,503 for total consideration of $3,058,103. The warrants value is based on the Black Scholes option pricing model, using the following assumptions: share price of $0.55, an exercise price of $0.55, risk free interest rate of 0.38%, expected life of warrants of 5 years, expected volatility rate of 114%, and expected dividend rate of 0%.

Beaver Property, Ontario

The Company holds a 100% interest in the Beaver and Violet cobalt and silver properties located in the township of Coleman, in northern Ontario, which are subject to a 3% NSR royalty. Each 1% can be purchased for $1,500,000.

Eby-Otto Property, Ontario

On July 28, 2021 the Company entered into an option agreement to acquire the Eby-Otto property in exchange for cash payments totalling $364,000, payable over five years ($124,000 paid) and the issuance of 800,000 common shares of the Company over a period of five years (200,000 issued and valued at $44,000 based on the quoted market price of the Company's shares at the time of issuance). The Company will also be required to incur a total of $2.4 million of exploration expenditures on the property during the five year period. The optionors will retain a 3% royalty on the property if the Company completes the entire option. As at December 31, 2022, the optionor asserts that the Company is not in compliance with certain terms of the option agreement. The outcome of this issue is not determinable at this time.

On August 30, 2021 the Company entered into an option agreement with a group of claimholders to acquire an additional property in exchange for, over a period of 5 years, cash payments totalling $182,000 ($47,000 paid), the issuance of 400,000 common shares of CCW (100,000 issued and valued at $15,500 based on the quoted market price of the Company's share at the date of issuance) and incurring a total of $1.2 million in exploration expenditures on the Property. In addition, the Claim Holders will retain a 3% royalty if CCW completes the entire option. CCW will be the operator and will manage all exploration work throughout the term of the option.

On February 8, 2022, the Company entered into an option agreement to acquire, over a period of 4 years, 100% of the property in return for cash payments totalling $100,000 ($25,000 – paid), the issuance of 400,000 common shares (100,000 issued, ascribed a fair value of $21,000, based on the market price of the Company's shares at the date of issuance) and incurring a total of $340,000 in exploration expenditures on the property. In addition, the vendor will retain a 3% royalty which may be purchased by the Company for $2 million.

Chute-des-Passes, Quebec

On November 22, 2021, the Company entered into an acquisition agreement for 100% ownership of the 16 Chute-des-Passes Property claims jointly owned by SOQUEM INC. ("SOQUEM") (50% ownership) and MINES COULON INC. ("Mines Coulon") (50% ownership). The agreement is for the acquisition of 100% of the Chute des Passes property in return of payment of $10,000 in cash and each vendor will retain an NSR. In consideration for the purchase of its interest in the Chute-des-Passes Property, the Company granted SOQUEM the right to receive 0.5% of the NSR on the Chute-des-Passes Property, half of which is redeemable for an amount of $125,000. In return for the transfer of its interest in the Chute-des-Passes Property, the Company granted Mines Coulon the right to receive 0.5% of the NSR on the Chute-des-Passes Property, half of which is redeemable for an amount of $125,000. There is also an existing NSR of 1%, of which 0.5% is redeemable for $500,000. The total NSR on the property is 2% where 1% is redeemable for the sum of $750,000.

Case Lake Property, Ontario

On February 6, 2023, the Company announced it had signed the Option Agreement to acquire a LCT Pegmatite land package (Lithium-Cesium-Tantalum). The Property acquisition consists of 2 separate agreements and four claim ‘blocks’. The Company and Optionor shall enter into two Option Agreements whereby the Optionor shall grant to the Company the right to acquire an undivided 100% interest in and to the Properties as follows:

- Combined cash payment of $20,000 (paid) and issuance of 200,000 (issued February 27, 2023 and ascribed a fair value of $16,000) shares of the Company to be paid to the Optionor.
- The Company incurs a total exploration expenditures on the Property in the amount $40,000 on or before the one-year anniversary of the Definitive Agreement, to earn an undivided 50% interest in the Property;
- Combined cash payment of $40,000, and issuance of 400,000 shares of the Company to the Optionor by the one-year anniversary of the Definitive Agreement date;
- The Company incurs a total exploration expenditures in the amount $80,000 on or before the second year anniversary of the Definitive Agreement, to earn an undivided 100% interest in the Property;
- Upon exercise of the Option by the Company, the Company grants to the Optionor a 2% NSR on each of the 1-block and 3-block Properties and on Claims within a 2-kilometre area of influence from the perimeter of the 3-block package as well as to certain CCW claims in between and within a 2-kilometre area of influence from the perimeter of the 1-block property. The Company retains the option to buy back 1% of each NSR for $500,000.

(Unaudited - expressed in Canadian Dollars)

The following table shows exploration and evaluation expenses incurred by property:

Year ended March 31, 2023	Castle Silver Properties	Beaver Property	Sudbury Property	Eby-Otto Property	Quebec Property	Case Lake Property	**Total**
	$	$	$	$	$	$	**$**
Acquisition costs	5,500	254	4,050	33,500	5,582	36,000	**84,886**
Assay and testing	31,564	-	-	56,533	13,877	-	**101,974**
Amortization	54,628	-	-	-	-	-	**54,628**
Drilling	-	-	-	1,229	125	-	**1,354**
Facility expenses	25,097	-	90	3,739	59,149	-	**88,075**
Consulting and professional fees	11,900	-	2,000	7,400	57,657	-	**78,957**
Geology, geophysics and surveys	13,206	-	1,000	184,143	16,732	-	**215,081**
Labour	32,739	32	5,310	19,522	80,798	-	**138,401**
Taxes, permits and licensing	29,688	-	-	-	-	-	**29,688**
	204,322	286	12,450	306,066	233,920	36,000	**793,044**

Year ended December 31, 2022	Castle Silver Properties	Beaver Property	Sudbury Property	Eby-Otto Property	Quebec Property	**Total**
	$	$	$	$	$	**$**
Acquisition costs	46,916	-	-	128,552	52,860	**228,328**
Assay and testing	430,594	-	-	2,761	287	**433,642**
Amortization	167,120	-	-	-	-	**167,120**
Drilling	839,391	-	-	464,706	2,352,741	**3,656,838**
Facility expenses	500,061	-	-	64,038	36,742	**600,841**
Consulting and professional fees	165,114	-	-	81,246	30,383	**276,743**
Geology, geophysics and surveys	261,798	-	12,500	715,754	662,371	**1,652,423**
Labour	825,916	-	-	202,489	39,731	**1,068,136**
Environmental	123,148	-	-	-	-	**123,148**
Taxes, permits and licensing	14,949	499	-	1,092	-	**16,540**
	3,375,007	499	12,500	1,660,638	3,175,115	**8,223,759**

(Unaudited - expressed in Canadian Dollars)

6. PROPERTY, PLANT, AND EQUIPMENT

	Land	Building, Machinery & Equipment	Vehicles	Total
	$	$	$	$
COST				
As at December 31, 2021	210,312	1,969,161	296,187	2,019,190
Dispositions	-	-	(21,550)	(21,550)
Additions	340,000	251,039	148,206	739,245
As at December 31, 2022	**550,312**	**2,220,200**	**422,843**	**3,193,355**
Dispositions	-	-	-	-
Additions	-	-	-	-
As at March 31, 2023	**550,312**	**2,220,200**	**422,843**	**3,193,355**
ACCUMULATED AMORTIZATION				
As at December 31, 2021	-	433,529	74,744	508,275
Dispositions	-	-	(17,007)	(17,007)
Accumulated amortization	-	228,907	87,402	316,309
As at December 31, 2022	**-**	**662,436**	**145,139**	**807,577**
Dispositions	-	-	-	-
Accumulated amortization	-	59,003	26,070	85,073
As at March 31, 2023	**-**	**721,439**	**171,209**	**892,648**
NET BOOK VALUE				
As at December 31, 2021	210,312	1,535,632	221,443	1,967,387
As at December 31, 2022	550,312	1,557,764	277,704	2,385,778
As at March 31, 2023	**550,312**	**1,498,761**	**251,632**	**2,300,705**

During the three months ended March 31, 2022, certain equipment with a carrying value of $4,518 was disposed of for gross proceeds of $6,000. A gain on disposal of $1,482 has been recorded on the Company's condensed interim statements of loss and comprehensive loss for the three months ended March 31, 2022.

7. SHARE CAPITAL

7.1 Authorized share capital

The Company has an authorized share capital of an unlimited number of shares with no par value.

As at March 31, 2023, the Company had 234,734,682 common shares issued and outstanding (December 31, 2022: 234,434,682).

7.2 Share issuance

a). Private Placements

There were no private placements during the three months ended March 31, 2023 or 2022.

b). Exercise of Options

There were no option exercises in during the three months ended March 31, 2023 or 2022

c). Exercise of Warrants

During the three months ended March 31, 2023, there were no warrants exercised.

During the period ended March 31, 2022, the Company issued 250,000 common shares related to the exercise of 250,000 warrants at an exercise price of $0.25 per share, for total consideration of $62,500.

d). Other

During the three months ended March 31, 2023 the Company issued 300,000 common shares ascribed a fair value of $24,500 in accordance with property option agreements. The shares were valued based on the quoted market price on the date of issuance. (Note 5)

During the three months ended March 31, 2022, the Company issued 100,000 common shares ascribed a fair value of $53,750 in accordance with a property option agreement related to the Company's Eby-Otto property. The shares were valued based on the quoted market price on the date of issuance.

(Unaudited - expressed in Canadian Dollars)

7.3 Stock Option Plan

The Company has in place a stock option plan (the "Plan") under which officers, directors, employees and consultants are eligible to receive incentive stock options.

The aggregate number of common shares reserved for issuance under the Plan and common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate 10% of the Company's common shares issued and outstanding at the time of grant. The term of any options granted under the Plan will be fixed by the Board of Directors and may not exceed ten years, but so long as the Company remains a "Tier 2" issuer under the policies of the Toronto Stock Exchange, options may not exceed a term of five years. The exercise price of options granted under the Plan will be determined by the Board of Directors, provided that it is not lower than the fair market value of the option shares on the date of the grant of the option.

The terms of the plan are as follows:
(i) the maximum number of shares that can be received by a beneficiary during any 12 month period is limited to 5% of issued and outstanding shares;
(ii) the maximum number of shares that can be reserved for a consultant during any 12 month period is limited to a 2% of issued and outstanding shares; and
(iii) the maximum number of shares that can be reserved for a supplier of investor relations services during any 12-month period is limited to 2% of issued and outstanding shares; moreover, the options granted may be exercised on a 12 month period after the grant, at the rate of 25% per quarter.

The following is a summary of the changes in the Company's stock option activities for the three months ended March 31, 2023 and 2022:

	March 31, 2023		March 31, 2022	
	Number of options	**Weighted-average exercise price**	Number of options	Weighted-average exercise price
		$		$
Outstanding, beginning of period	**10,078,335**	**0.309**	10,558,000	0.317
Granted	**1,450,000**	**0.10**	1,220,335	0.23
Exercised	**-**	**-**	-	-
Expired/cancelled	**(250,000)**	**0.50**	(975,000)	0.25
Outstanding, end of period	**11,278,335**	**0.280**	10,803,335	0.308
Exercisable, end of period	**11,278,335**	**0.280**	10,803,335	0.308

(Unaudited - expressed in Canadian Dollars)

The following table summarizes information regarding stock options outstanding and exercisable as at March 31, 2023:

Exercise price	**Number of options outstanding**	**Number of options exercisable**	**Weighted-average remaining contractual life (years)**	**Weighted-average exercise price**
Options				
$0.14	**1,450,000**	**1,450,000**	2.88	0.140
$0.210 - $0.300	**5,735,335**	**5,735,335**	1.39	0.236
$0.310 - $0.400	**2,130,000**	**2,130,000**	1.50	0.338
$0.410 - $0.700	**1,963,000**	**1,963,000**	1.81	0.424
Total	**11,278,335**	**11,278,335**	**1.72**	**0.280**

The weighted average fair value of the options granted during the three months ended March 31, 2023 was estimated at $0.04 per option (three months ended March 31, 2022: $0.102) at the grant date using the Black-Scholes option pricing model. The weighted average assumptions used for the calculation were:

	March 31, 2023	March 31, 2022
Risk free interest rate	**3.87%**	1.48%
Expected life	**3 years**	1.95 years
Expected volatility	**75.50%**	82%
Stock price	**0.09**	0.23
Expected dividend per share	**-**	-

Expected volatility was calculated using historical daily closing share prices for the Company's common shares using the same time period as the life of the option.

(Unaudited - expressed in Canadian Dollars)

7.4 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the three months ended March 31:

	March 31, 2023		March 31, 2022	
	Number of warrants	**Weighted-average exercise price**	Number of warrants	Weighted-average exercise price
		$		$
Outstanding, beginning of period	**105,323,797**	**0.323**	67,964,803	0.282
Exercised	**-**	**-**	(250,000)	0.250
Outstanding, end of period	**105,323,797**	**0.323**	67,714,803	0.282

During the three months ended March 31, 2023 and 2022, the Company did not issue any warrants.

The following table summarizes information regarding share purchase warrants outstanding and exercisable as at March 31, 2023:

Exercise price	**Number of warrants outstanding**	**Weighted-average remaining contractual life (years)**	**Weighted-average exercise price**
$0.11	3,798,800	1.54	0.11
$0.11	2,453,682	1.65	0.11
$0.15	15,718,184	1.61	0.15
$0.21	2,097,425	0.57	0.21
$0.24	984,595	0.72	0.24
$0.25	33,288,244	0.57	0.25
$0.32	22,460,500	2.04	0.32
$0.50	2,095,084	1.44	0.50
$0.55	6,507,071	1.92	0.55
$0.58	1,152,128	0.02	0.58
$0.60	2,282,853	0.24	0.60
$0.65	12,485,231	0.40	0.65
Total	**105,323,797**	**1.17**	**$0.323**

(Unaudited - expressed in Canadian Dollars)

8. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net loss for the period	**$ (1,466,818)**	$ (1,583,128)
Weighted average number of shares – basic and diluted	**234,560,709**	176,089,140
Loss per share, basic and diluted	**$ (0.006)**	$ (0.009)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, share purchase warrants and convertible debentures, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and warrants were anti-dilutive for the three months ended March 31, 2023 and 2022.

9. RELATED PARTY TRANSACTIONS

The Company has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Company.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the three months ended March 31, 2023 was $173,749 (three months ended March 31, 2022 - $153,999) and share based payments valued at $39,690 (three months ended March 31, 2022 - $90,280). For the three months ended March 31, 2023, $127,000 (three months ended March 31, 2022 - $121,000) was included in exploration and evaluation expenses on the Company's condensed interim consolidated statements of loss and comprehensive loss. As at December 31, 2022, included in accounts payable and accrued liabilities is $37,874 in relation to these fees (December 31, 2022 - $6,081).

There were no Directors' fees paid to members of the Board of Directors for the three months ended March 31, 2023 and 2022.

Included in prepaid expenses are expense advances of $nil paid to the Company's CEO (December 31, 2022 - $10,000)

Included in exploration and evaluation expenses for the year ended December 31, 2022 was $6,192 (three months ended March 31, 2022 - $27,400) in equipment rental costs from Granada. As at March 31, 2023, $7,229 was included in trade payables and accrued liabilities related to this rental (December 31, 2022 - $nil).

On August 25, 2022, the Company closed the acquisition of a 10-acre (4 hectare) property fronting Highway 11 near Cobalt, ON, including the facility rented in the preceding paragraph for cash consideration of $265,000 which sum represents the value of the property of $465,000, less $160,000 in previously pre-paid lease payments. The facility will be used as the central hub for all of the Company's Ontario and Quebec operations. The vendor of the property is a company controlled by a family member of one of the directors and officers of the Company. As at March 31, 2023, $265,000 (December 31, 2022 - $265,000) related to this transaction is included in accounts payable and accrued liabilities. This balance is unsecured, non-interest bearing and due on demand.

10. COMMITMENTS AND CONTINGENCIES

(a) Environmental Contingencies
The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(b) Flow-Through Shares
The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that may become payable by the subscribers as a result of the Company not meeting this expenditure commitment. As at March 31, 2023 the Company is committed to incur $5,443,541 in eligible exploration expenditures of expenses as required under the flow-through share offerings during 2022. These expenses must be incurred prior to December 31, 2023.

(c) Management Contracts
The Company is party to multiple management contracts. Upon the occurrence of certain events such as a change in control, the contract requires payment of up to $768,500. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

(d) Memorandum of Understanding
The Company has entered into a Memorandum of Understanding ("MOU") with the Matachewan First Nation community in connection with certain exploration and evaluation programs in their area; to support the engagement process two per cent of the exploration costs are provided to the First Nation, calculated and paid on an annual basis following the end of the calendar year.

In addition, the Company has entered into a second MOU with both Temagami First Nation and Teme-Augama Nation to provide a framework process for consultation during the life of the project.

The MOUs also include terms outlining environmental protection, employment, training and business opportunities, and mitigation of impacts on the traditional pursuits of the members of the First Nation communities.

11. SUBSEQUENT EVENTS

i. On April 14, 2023, the Company closed the first tranche of a non-brokered private placement by way of issuing 6,950,000 non-flow-through units at a price of $0.05 per unit raising gross proceeds of $347,500. The Company also issued 5,970,000 Quebec flow-through units at a price of $0.08 per unit raising gross proceeds $477,600 for an aggregate of $825,100. A related party subscribed to 2,000,000 non flow-through units.

   On May 11, 2023, the Company closed the 2nd final tranche by way of issuing 9,331,000 non-flow-through units at a price of $0.05 per unit raising gross proceeds of $466,550. The Company also issued 3,628,125 Quebec flow-through units at a price of $0.08 per unit raising gross proceeds of $290,250 for an aggregate of $756,800.

   Each unit is comprised of one common share of the Company and one share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of $0.075 per share for a period of two years from closing.

   Each Quebec flow-through unit is comprised of one flow-through common share of the Company and one share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of $0.10 per share, for a period of three years from closing.

   Finder's fees in the amount of $37,649.50 were paid in cash, 281,156 finder shares were issued at a deemed price of $0.08 per share and 533,619 finder's warrants were issued. 393,619 of the finder's warrants are exercisable at $0.10 per for a period of three years from closing and 140,000 finder's warrants are exercise ale at $0.075 per share for a period of two years from closing.

   In connection with these flow-through private placements, the Company is obligated to incur $767,850 in eligible exploration expenditures by December 31, 2024.

ii. On May 23, 2023, the Company granted stock options to one of its directors to purchase an aggregate of 100,000 common shares in the capital of the Company. The stock options are exercisable for a term of two years at an exercise price of $0.10 per share.

iii. 1,152,128 warrants exercisable at $0.58 expired on April 7, 2023.

iv. 300,000 stock options exercisable at $0.32 expired on June 5, 2023.