

HIGHWAY 50 GOLD CORP.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF 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 financial statements have not been reviewed by an auditor.

The accompanying unaudited 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 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.

Highway 50 Gold Corp.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
As at

	March 31, 2023	December 31, 2022
ASSETS		
Current		
Cash	\$ 223,005	\$ 287,110
Receivables	4,743	2,899
Prepaid expenses	18,772	5,054
	246,520	295,063
Equipment	8,199	8,630
Reclamation bonds	17,325	17,325
Right of use asset (Note 7)	33,315	39,195
Exploration and evaluation assets (Note 4)	4,492,200	4,490,918
	\$ 4,797,559	\$ 4,851,131
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 447	\$ 6,766
Loans payable (Note 6)	391,189	391,189
Lease liabilities (Note 7)	25,432	24,685
	417,068	422,640
Non-current		
Lease liabilities (Note 7)	11,527	18,172
Total liabilities	428,595	440,812
Shareholders' equity		
Capital stock (Note 5)	9,797,112	9,797,112
Share compensation reserve (Note 5)	2,143,401	2,140,316
Deficit	(7,571,549)	(7,527,109)
Total shareholders' equity	4,368,964	4,410,319
Total liabilities and shareholders' equity	\$ 4,797,559	\$ 4,851,131

Nature and continuance of operations (Note 1)

Basis of preparation (Note 2)

On behalf of the Board:

“Gordon P. Leask” Director “Megan Cameron-Jones” Director

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

Highway 50 Gold Corp.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2023	Three months ended March 31, 2022
EXPENSES		
Accounting and audit (Note 6)	\$ 9,000	\$ 9,550
Amortization (Note 7)	6,311	6,578
Bank charges	435	438
Consulting fees (Note 6)	8,000	75,000
Stock-based compensation (Notes 5, 6)	3,085	-
Investor relations and shareholder information	958	7,534
Legal	-	1,258
Lease accretion (Note 7)	1,227	1,891
Loan accretion (Note 6)	-	10,403
Office and administration	6,280	6,406
Transfer agent and listing fees	6,434	12,332
Travel	2,710	858
	(44,440)	(132,248)
Foreign exchange	-	1,941
Loss and comprehensive loss for the period	\$ (44,440)	\$ (130,307)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding, basic and diluted	41,608,982	41,608,982

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

Highway 50 Gold Corp.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2023	Three months ended March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (44,440)	\$ (130,307)
Items not affecting cash:		
Amortization	6,311	6,578
Lease accretion	1,227	1,891
Loan accretion	-	10,403
Stock-based compensation	3,085	-
Unrealized foreign exchange	-	(3,730)
Change in non-cash working capital items:		
Receivables	(1,844)	(14,618)
Prepaid expenses	(13,718)	(11,230)
Accounts payable and accrued liabilities	(6,319)	1,448
Due to related parties	-	75,000
	<u>(55,698)</u>	<u>(64,565)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	<u>(1,282)</u>	<u>(6,518)</u>
	<u>(1,282)</u>	<u>(6,518)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	<u>(7,125)</u>	<u>(7,125)</u>
	<u>(7,125)</u>	<u>(7,125)</u>
Change in cash	(64,105)	(78,208)
Cash, beginning	<u>287,110</u>	<u>650,977</u>
Cash, end	<u>\$ 223,005</u>	<u>\$ 572,769</u>

Supplemental disclosure with respect to cash flows (Note 10)

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

Highway 50 Gold Corp.
Condensed Consolidated Interim Statements of Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Share Compensation Reserve	Deficit	Total
Balance, December 31, 2021	41,608,982	\$ 9,797,112	\$ 2,139,322	\$ (8,657,363)	\$ 3,279,071
Loss for the period	-	-	-	(130,307)	(130,307)
Balance, March 31, 2022	41,608,982	\$ 9,797,112	\$ 2,139,322	\$ (8,787,670)	\$ 3,148,764
Balance, December 31, 2022	41,608,982	\$ 9,797,112	\$ 2,140,316	\$ (7,527,109)	\$ 4,410,319
Stock-based compensation	-	-	3,085	-	3,085
Loss for the period	-	-	-	(44,440)	(44,440)
Balance, March 31, 2023	41,608,982	\$ 9,797,112	\$ 2,143,401	\$ (7,571,549)	\$ 4,368,964

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Highway 50 Gold Corp. (the “Company”) is a Canadian company incorporated in British Columbia. The Company’s activities have focused on exploration and evaluation assets located in British Columbia and Nevada, USA. The Company’s registered and records office is at Suite 910, 800 West Pender Street, Vancouver, BC, V6C 2V6. The Company’s head office is at Suite 2710, 200 Granville Street, Vancouver, BC, V6C 1S4. The common shares of the Company are listed on the TSX Venture Exchange (the “Exchange”) and trade under the symbol “HWY”.

At the date of these condensed consolidated interim financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets. To date, the Company has not earned revenues and is considered to be in the exploration stage.

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. As at March 31, 2023, the Company had working capital deficiency of \$170,548 and an accumulated deficit of \$7,571,549. These items may cast a significant doubt on the Company’s ability to continue as a going concern. The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company has assessed whether there are any impairment indicators for the Company’s equipment assets and exploration and evaluation assets and did not note any indicators as of December 31, 2022.

These condensed consolidated interim financial statements were authorized by the board of directors of the Company on May 30, 2023.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Company’s exploration and evaluation assets does not necessarily represent present or future values, and the Company’s exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management’s assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company’s exploration and evaluation assets properties.

To the extent that any of management’s assumptions change, there could be a significant impact on the Company’s future financial position, operating results and cash flows.

Fair value of stock options and warrants

Determining the fair value of warrants and stock options requires judgments related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company’s future operating results or on other components of shareholders’ equity.

2. BASIS OF PREPARATION (cont'd...)

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

Basis of consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and the entities controlled by the Company (Note 6). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the entities' functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the entity that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2022.

Highway 50 Gold Corp.
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
For the three months ended March 31, 2023 and 2022

4. EXPLORATION AND EVALUATION ASSETS

	Johnson Canyon, Nevada, USA	Gold Knob, Nevada, USA	Golden Brew, Nevada, USA	Monroe, BC, Canada	Total
ACQUISITION					
Balance, December 31, 2021	\$ 220,121	\$ 730,118	\$ 429,993	\$ 4,427	\$ 1,384,659
Property payments	44,904	139,176	25,013	-	209,093
Balance, December 31, 2022 and March 31, 2023	\$ 265,025	\$ 869,294	\$ 455,006	\$ 4,427	\$ 1,593,752
EXPLORATION					
Balance, December 31, 2021	\$ 28,412	\$ 18,734	\$ 735,967	\$ 2,103,988	\$ 2,887,101
Mapping	-	5,440	-	2,480	7,920
Field operations	-	-	5,540	498	6,038
Travel	-	-	-	787	787
Cost recovery	-	-	-	(4,680)	(4,680)
Balance, December 31, 2022	28,412	24,174	741,507	2,103,073	2,897,166
Field operations	-	-	1,282	-	1,282
Balance, March 31, 2023	\$ 28,412	\$ 24,174	\$ 742,789	\$ 2,103,073	\$ 2,898,448
CARRYING VALUE					
December 31, 2022	\$ 293,437	\$ 893,468	\$ 1,196,513	\$ 2,107,500	\$ 4,490,918
March 31, 2023	\$ 293,437	\$ 893,468	\$ 1,197,795	\$ 2,107,500	\$ 4,492,200

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing. The exploration and evaluation assets in which the Company has committed to earn an interest are located in the United States and Canada.

The Company is required to post bonds with the Bureau of Land Management (“BLM”) as security towards future site restoration work and will be released to the Company upon satisfactory completion of that work. The bonds posted relate to the Golden Brew and Porter Canyon properties.

Johnson Canyon Property, Lander County, Nevada

The Company holds a 100% interest in the Johnson Canyon project, located in Lander County, Nevada.

Gold Knob Property, Pershing County, Nevada

The Company holds a 100% interest in the Gold Knob property located in Pershing county, Nevada. Out of 3% net smelter return (“NSR”) royalty, the Company may repurchase up to 2% for US\$1 million for each 1% of the NSR.

Golden Brew Property, Lander County, Nevada

The Company holds a 100% interest in the Golden Brew claims subject to a royalty payable on production equal to a 0.5% NSR on certain claims payable to Genesis Gold Corporation.

Monroe Property, Fort Steele Mining Division, British Columbia

During the year ended December 31, 2016, the Company executed an option agreement to earn an undivided 50% interest in the Monroe property located in the Fort Steele Mining Division, southeast British Columbia. In order to exercise the option (the “Option”), the Company has made a firm commitment to spend an initial \$100,000 in exploration expenditures on the Monroe property in the first year (commitment met as at December 31, 2016), followed by additional annual optional exploration expenditures totalling \$2.9 million by May 2021.

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4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

On April 9, 2021, the option was amended to a cumulative total of explorations expenditures of no less than \$3 million on or before May 2, 2022. During the year ended December 31, 2022, the option was amended and the Company must complete the expenditures on or before May 2, 2023.

During the period ended March 31, 2023, the option was further amended and the Company must complete the expenditures on or before May 2, 2024.

The Company will be the operator on the Monroe property during the course of the Option. The owners of the Monroe property are an officer and directors of the Company.

5. CAPITAL STOCK AND SHARE COMPENSATION RESERVE

Authorized

Unlimited number of common shares without par value. All issued shares are fully paid.

There were no share issuances during the period ended March 31, 2023 and the year ended December 31, 2022.

Stock options

Under the Company's rolling stock option plan dated December 21, 2022, the Company may grant options, with a maximum term of ten years, for up to 10% of the Company's issued and outstanding common shares, to directors, employees and consultants at exercise prices to be determined by the market value on the date of grant. Vesting of options is made at the discretion of the Board of Directors at the time the options are granted with the exception of options granted in relation to investor relations. Options granted to consultants engaged in investor relations activities must vest no earlier than as to one-quarter upon the grant date and as to a further one-quarter after each of the following three four-month periods.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2021	3,085,000	\$ 0.34
Granted	200,000	0.25
Balance, December 31, 2022	3,285,000	0.33
Expired	(200,000)	0.37
Balance, March 31, 2023	3,085,000	\$ 0.33

At March 31, 2023, the following incentive stock options were outstanding to directors, officers and employees:

Number of Options Outstanding	Exercise Price (\$)	Expiry Date	Number of Options Exercisable
700,000*	0.25	May 17, 2023	700,000
1,525,000	0.37	November 17, 2025	1,525,000
200,000	0.38	January 4, 2026	200,000
460,000	0.35	April 30, 2026	460,000
200,000	0.25	December 2, 2027	-
3,085,000			2,885,000

*Subsequent to March 31, 2023, 700,000 options expired unexercised

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5. CAPITAL STOCK AND SHARE COMPENSATION RESERVE (cont'd...)

Stock options (cont'd...)

Stock-based compensation

The Company recognizes compensation expense for all stock options granted using the fair value-based method of accounting. During the period ended March 31, 2023, the Company recognized \$3,085 (2022 - \$Nil) in stock-based compensation expense with respect to options vested during the period. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	Period ended March 31, 2023	Year ended December 31, 2022
Expected forfeiture rate	-	0%
Risk-free interest rate	-	3.00%
Expected life of options	-	5 Years
Annualized volatility	-	99.98%
Dividend	-	0%
Weighted average fair value per option	-	\$0.06

Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2023, December 31, 2022 and 2021	2,617,697	\$ 0.52

At March 31, 2023, the following share purchase warrants were issued and outstanding:

Number of Warrants Outstanding	Exercise Price	Expiry Date
1,182,455	\$ 0.60	September 21, 2023
1,435,242	0.45	July 29, 2023
2,617,697		

6. RELATED PARTY TRANSACTIONS

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Highway 50 Gold (US) Inc.	Nevada, USA	100%	Mineral exploration

All transactions with related parties are in the normal course of operations and are measured at their fair value as determined by management.

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6. RELATED PARTY TRANSACTIONS (cont'd...)

During the period ended March 31, 2023, the Company entered into the following transactions with related parties:

- a) Eagle Putt Ventures Inc. (“Eagle Putt”) is a private company controlled by Mr. Gordon P. Leask, a director and officer of the Company. For the period ended March 31, 2023, Eagle Putt charged \$nil (2022 - \$30,000) which are classified as consulting fees in the consolidated statements of profit or loss. At December 31, 2022, Eagle Putt forgave \$670,000 owed by the Company relating to these fees.

During the year ended December 31, 2020, the Company received loans of \$228,436 (\$75,000 and US\$116,753) from Eagle Putt. On December 31, 2020, the loans were transferred to a term loan that matured on June 30, 2022, and since it is below the Company’s estimated market borrowing rate of 12%, a contribution benefit of \$34,980 was recorded in reserves. During the period ended March 31, 2023, the Company incurred \$nil (2022 - \$6,264) in accretion expense relating to this loan. The carry value of this loan as at March 31, 2023 is \$233,094 (December 31, 2022 - \$233,094).

- b) Rangefront Exploration Corp. (“Rangefront”) is a private company controlled by Mr. John M. Leask, a director to the Company. For the period ended March 31, 2023, Rangefront charged \$nil (2022 - \$30,000) which are classified as consulting fees in the consolidated statements of profit or loss. At December 31, 2022, Rangefront forgave \$670,000 owed by the Company relating to these fees.

During the year ended December 31, 2020, the Company received loans of \$189,320 (US\$143,505) from Rangefront out of which \$35,158 (US\$26,753) had been repaid. On December 31, 2020, the loans were transferred to a term loan that matured on June 30, 2022, and since it is below the Company’s estimated market borrowing rate of 12%, a contribution benefit of \$23,255 was recorded in reserves. During the period ended March 31, 2023, the Company incurred \$nil (2022 - \$4,139) in accretion expense relating to this loan. The carry value of this loan as at March 31, 2023 is \$158,095 (December 31, 2022 - \$158,095).

- c) Megan Cameron-Jones is a director and officer of the Company. For the period ended March 31, 2023, Megan Cameron-Jones charged \$nil (2022 - \$15,000) for management services which are classified as consulting fees in the consolidated statements of profit or loss. At December 31, 2022, Megan Cameron-Jones forgave \$300,000 owed by the Company relating to these fees.
- d) Cross Davis & Co. LLP (“Cross Davis”) is an accounting firm of which Scott Davis, an officer of the Company, is a partner. For the period ended March 31, 2023, Cross Davis charged \$9,000 (2022 - \$9,000) which are classified as accounting fees in the consolidated statements of profit or loss. At March 31, 2023, the Company owed \$nil (December 31, 2022 - \$nil) to Cross Davis.

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 executive and non-executive members of the Company’s Board of Directors. The remuneration of officers and members of key management personnel during the three months ended March 31, 2023 and 2022 are as follows:

	Other Payments	Total
March 31, 2023		
Chief Financial Officer	\$ 9,000	\$ 9,000
	\$ 9,000	\$ 9,000
March 31, 2022		
Chief Executive Officer	\$ 30,000	\$ 30,000
Chief Financial Officer	9,000	9,000
Executive directors	45,000	45,000
	\$ 84,000	\$ 84,000

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7. LEASE LIABILITIES

On April 1, 2021, the Company entered into an office space and services agreement that gives the Company the right to use a certain office space in return for \$2,375 monthly base fee, until August 31, 2024. The total present value of the monthly payments is \$80,355, using the financing rate of 12%. At the start of this agreement, the Company recorded \$80,355 as right of use asset and the corresponding lease liabilities. As at March 31, 2023, \$24,685 (December 31, 2022 - \$24,685) of the lease liabilities is due within one year and \$11,527 (December 31, 2022 - \$18,172) is due over the remaining term of the agreement. During the period ended March 31, 2023, the Company recorded a total accretion expense of \$1,227 (2022 - \$1,891) relating to the lease obligation.

8. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of exploration and evaluation assets in North America. Geographical information is as follows:

	Total					
	Non-current	Assets	Equipment and	Exploration and	Reclamation	
			ROU Asset	Evaluation Assets	Bonds	
March 31, 2023						
Canada	\$	2,149,014	\$	41,514	\$	2,107,500
United States		2,402,025		-		2,384,700
	\$	4,551,039	\$	41,514	\$	4,492,200
December 31, 2022						
Canada	\$	2,155,325	\$	47,825	\$	2,107,500
United States		2,400,743		-		2,383,418
	\$	4,556,068	\$	47,825	\$	4,490,918

9. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, reclamation bonds, accounts payable and accrued liabilities, due to related parties, and loans payable approximate carrying value, which are the amounts on the consolidated statements of financial position. The Company's other financial instrument, cash, under the fair value hierarchy, is based on level one quoted prices in active markets for identical assets or liabilities.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at large Canadian financial institutions in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of tax credits due from the government of Canada. As such, the Company does not believe it is subject to significant credit risk.

9. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset backed commercial paper. As at March 31, 2023, the Company had a cash balance of \$223,005 to settle current liabilities of \$417,068.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances. The interest earned on the cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, reclamation bond, loans payable and accounts payable that are denominated in United States dollars ("US\$"). A 10% fluctuation in the US\$ against the Canadian dollar would affect profit or loss for the period by approximately \$29,500.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and evaluation of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes 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. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

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10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the period ended March 31, 2023 there were no supplemental disclosures with respect to cash flows.

During the year ended December 31, 2022:

- There was \$428 included in exploration and evaluation assets which relates to accounts payable and accrued liabilities.

For the period ended March 31	2023	2022
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -

11. SUBSEQUENT EVENTS

Subsequent to the period ended March 31, 2023, the Company:

- Closed a non-brokered private placement and raised gross proceeds to the Company of \$250,000 (the “FT Offering”) by the issuance of 1,666,665 common shares (each a “FT Share”) of the Company issued on a flow-through basis under the *Income Tax Act* (Canada) at a purchase price of \$0.15 per FT Share.
- Closed a non-brokered private placement and raised gross proceeds to the Company of \$374,785 (the “Non-FT Offering”) by the issuance of 2,498,567 units (each, a “Unit”) of the Company at a purchase price of \$0.15 per Unit. Each Unit consists of one non-flow-through common share of the Company and one non-flow-through common share purchase warrant (each, a “Warrant”). Each Warrant will entitle the holder to purchase one non-flow-through common share (a “Share”) of the Company at a purchase price of \$0.20 per Share for a period of two years from the closing date of the Non-FT Offering. In connection with the offerings, the Company paid a cash finder’s fee totaling \$37,435 and issued an aggregate of 249,566 finder’s warrants, having the same terms as the Warrants.