



(A Development Stage Enterprise)

**Condensed Interim Financial Statements  
For the three months ended March 31, 2023**

(Stated in Canadian Dollars)

**Responsibility for Financial Statements**

The accompanying financial statements for Metals Creek Resources Corp. have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) consistently applied. Only changes in accounting policies have been disclosed in these unaudited condensed interim financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim financial statements for the period ended March 31, 2023.

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**METALS CREEK RESOURCES CORP.**  
(A Development Stage Enterprise)

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March 31, 2023 and 2022

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**METALS CREEK RESOURCES CORP.**

(A Development Stage Enterprise)

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION****(Prepared by Management)**

	March 31, 2023 \$ (Unaudited)	December 31, 2022 \$ (Audited)
<b>ASSETS</b>		
Current		
Cash	242,634	489,132
Short term investments (note 3)	302,056	289,269
H.S.T. and other receivables	7,590	6,625
Prepaid expenses	6,217	15,120
	<b>558,497</b>	<b>800,146</b>
Property and equipment (note 4)	62,304	69,145
Long term investments (note 5)	611,176	757,139
Exploration and evaluation assets (note 6)	7,858,599	7,841,923
	<b>9,090,576</b>	<b>9,468,353</b>
<b>LIABILITIES AND EQUITY</b>		
Current		
Accounts payable and accrued liabilities (note 9)	137,840	181,661
Current portion of lease liability (note 8)	13,711	13,335
	<b>151,551</b>	<b>194,996</b>
Lease liability (note 8)	5,489	9,065
	<b>157,040</b>	<b>204,061</b>
Equity		
Share Capital (note 7)	18,289,720	18,280,720
Reserves (note 7)	10,643,444	10,643,444
Deficit	(19,999,628)	(19,659,872)
	<b>8,933,536</b>	<b>9,264,292</b>
	<b>9,090,576</b>	<b>9,468,353</b>

*Nature and Continuance of Operations – Note 1*  
*Commitments – Notes 6 and 12*  
*Subsequent Events – Note 6*

*These financial statements are authorized for issue by the Board of Directors on May 1, 2023. They are signed on the Corporation's behalf by:*

“Alexander Stares” Director  
“Nick Tsimidis” Director

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

**METALS CREEK RESOURCES CORP.**

(A Development Stage Enterprise)

**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS****(Prepared by Management – Unaudited)**

	<b>Three Months Ended March 31, 2023 \$</b>	<b>Three Months Ended March 31, 2022 \$</b>
<b>EXPENSES</b>		
Business development	13,102	33,473
Depreciation	6,840	8,050
Office and general	30,247	62,578
Professional fees	11,461	6,260
Consultants (note 9)	-	4,500
Salaries and benefits	97,806	70,642
Share-based payments (note 7(iii))	-	75,501
Part XII.6 tax	-	55
Write-down of exploration and evaluation assets	1,459	-
Pre-acquisition exploration and evaluation expenses	46,429	3,574
	<u>(207,344)</u>	<u>(264,633)</u>
Loss before the following:	(207,344)	(264,633)
Gain on sale of investments (note 5)	500	-
Gain on sale or option of exploration and evaluation assets, net	-	38,250
Interest and investment income	3,052	1,930
Adjustment to fair value for fair value through profit and loss investments	(135,964)	(224,141)
Loss before deferred tax recovery	(339,756)	(448,594)
<b>Deferred tax recovery – flow-through</b>	-	324,404
<b>Loss and comprehensive income (loss) for the period</b>	(339,756)	(124,190)
<b>Loss per share – basic and diluted (note 11)</b>	\$0.00	\$0.00
<b>Weighted Average Shares Outstanding – basic and diluted</b>	149,695,599	142,638,219

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

**METALS CREEK RESOURCES CORP.**

(A Development Stage Enterprise)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY****(Prepared by Management – Unaudited)****For the three months ended March 31, 2023 and 2022**

	<u>Share Capital</u>		<u>Reserves</u>		<u>Deficit</u>	<u>Total</u>
	<u>Number of Shares</u>	<u>Share Capital</u>	<u>Warrants</u>	<u>Equity Settled Benefits</u>		
	<u>#</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
<b>Balance, December 31, 2021</b>	<b>142,535,137</b>	<b>17,418,193</b>	<b>2,482,200</b>	<b>8,182,678</b>	<b>(13,729,567)</b>	<b>14,353,504</b>
Share-based payments	-	-	-	75,501	-	75,501
Issued for cash:						
Issued upon exercise of warrants	223,963	36,391	(9,187)	-	-	27,204
Loss and comprehensive loss for the period	-	-	-	-	(124,190)	(124,190)
<b>Balance, March 31, 2022</b>	<b>142,759,100</b>	<b>17,454,584</b>	<b>2,473,013</b>	<b>8,258,179</b>	<b>(13,853,757)</b>	<b>14,332,019</b>
<b>Balance, December 31, 2022</b>	<b>149,612,266</b>	<b>18,280,720</b>	<b>2,160,146</b>	<b>8,483,298</b>	<b>(19,659,872)</b>	<b>9,264,292</b>
Issued in connection with property option and purchase agreements	300,000	9,000	-	-	-	9,000
Expiration of warrants during the period	-	-	(1,742,344)	1,742,344	-	-
Loss and comprehensive loss for the period	-	-	-	-	(339,756)	(339,756)
<b>Balance, March 31, 2023</b>	<b>149,912,266</b>	<b>18,289,720</b>	<b>417,802</b>	<b>10,225,642</b>	<b>(19,999,628)</b>	<b>8,933,536</b>

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

**METALS CREEK RESOURCES CORP.**

(A Development Stage Enterprise)

**CONDENSED INTERIM STATEMENTS CASH FLOWS****(Prepared by Management – Unaudited)**

	<b>Three Months Ended March 31, 2023 \$</b>	<b>Three Months Ended March 31, 2022 \$</b>
<b>CASH FLOWS FROM (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Income (loss) and comprehensive income (loss) for the period	(339,756)	(124,190)
Items not requiring an outlay of cash:		
Deferred tax recovery – flow-through	-	(324,404)
Depreciation	6,840	8,050
Share-based payments	-	75,501
Adjustment to fair value for fair value through profit and loss investments	135,964	224,141
Write-down of exploration and evaluation assets	1,459	-
Imputed interest on lease liability	565	901
Gain on sale of long-term investments	(500)	-
Gain on sale of exploration and evaluation assets	-	(38,250)
Change in non-cash working capital items:		
Increase in H.S.T. and other receivables	(965)	(72,912)
Decrease in prepaid expenses	8,903	28,997
Increase (decrease) in accounts payable and accrued liabilities	(43,821)	146,842
Cash flows used in operating activities	(231,311)	(75,324)
<b>FINANCING ACTIVITIES</b>		
Payments on lease liability	(3,766)	(3,765)
Redemption (purchase) of short-term investments	(12,787)	1,199,471
Proceeds from exercise of warrants	-	27,204
Cash flows from (used in) financing activities	(16,553)	1,222,910
<b>INVESTING ACTIVITIES</b>		
Expenditures on exploration and evaluation assets	(9,134)	(2,084,130)
Net proceeds on sale of long-term investments	10,500	-
Cash flows provided by (used in) investing activities	1,366	(2,084,130)
Decrease in cash	(246,498)	(936,544)
Cash – beginning of period	489,132	1,085,130
Cash – end of period	242,634	148,586
Supplemental cash flow information (note 10)		

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

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**METALS CREEK RESOURCES CORP.**

(A Development Stage Enterprise)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

March 31, 2023

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**1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS**

Metals Creek Resources Corp. (the “Company”) was incorporated on June 21, 2004 under the Business Corporations Act (Ontario). The Company’s head office is located at 945 Cobalt Crescent, Thunder Bay, Ontario, Canada, P7B 5Z4.

The Company is an exploration stage company and is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The accompanying financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability of the Company to raise additional capital. Specifically, the recovery of the Company’s investment in exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop its properties and establish future profitable production from the properties, or from the proceeds of their disposition. The Company has working capital in the amount of \$406,946 (December 31, 2022- \$605,150) and has a deficit in the amount of \$19,999,628 (December 31, 2022 - \$19,659,872). The Company has not earned any significant revenues to date and is considered to be in the exploration stage.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB (“International Accounting Standards Board”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 - Interim Financial Reporting. The accounting policies followed in these condensed interim financial statements are the same as those applied in the Company’s audited annual financial statements for the year ended December 31, 2022.

The policies applied in these financial statements are based on IFRS issued and outstanding as of May 1, 2023 the date the Board of Directors approved the statements. Any subsequent changes to IFRS after this date could result in changes to the financial statements for the year ended December 31, 2023.

The condensed interim financial statements do not contain all disclosures required under IFRS and should be read in conjunction with the Company’s audited annual financial statements and the notes thereto for the year ended December 31, 2022.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, allocation of financing proceeds, and income taxes. Differences may be material.

### 3. SHORT TERM INVESTMENTS:

	March 31, 2023 \$	December 31, 2022 \$
Money Market Mutual Funds	302,056	289,269

These funds are available for exploration and evaluation expenditures and operations upon the request of the Company.

The money market mutual funds consist of fully liquid, managed money market fund units that yield regular monthly dividends at market rates.

### 4. PROPERTY AND EQUIPMENT

	Cost	Acc. Depr.	Dec. 31, 2022 Net
Computer equipment	\$ 39,499	\$ 35,218	\$ 4,281
Furniture and fixtures	13,467	12,961	506
Computer software	63,020	63,020	-
General equipment	40,665	34,478	6,187
Automobile	121,968	87,862	34,106
Leasehold improvements	4,812	4,812	-
Right-of-use assets – office (i)	48,634	31,410	17,224
	<u>\$ 332,065</u>	<u>\$ 269,761</u>	<u>\$ 62,304</u>

	Cost	Acc. Depr.	Dec. 31, 2021 Net
Computer equipment	\$ 39,499	\$ 34,535	\$ 4,964
Furniture and fixtures	13,467	12,934	533
Computer software	63,020	63,020	-
General equipment	40,665	34,153	6,512
Automobile	121,968	85,096	36,872
Leasehold improvements	4,812	4,812	-
Right-of-use assets – office (i)	48,634	28,370	20,264
	<u>\$ 332,065</u>	<u>\$ 262,920</u>	<u>\$ 69,145</u>

(i) The Company's leased assets include its office premises. Amounts related to leased assets included in profit in loss include:

	March 31, 2023 \$	December 31, 2022 \$
Interest on lease liabilities	565	3,154
Depreciation charge – right-of-use assets	3,040	12,159



## 5. LONG TERM INVESTMENTS

	March 31, 2023			December 31, 2022		
	Number of Shares #	Market \$	Cost \$	Number of Shares #	Market \$	Cost \$
<b>Canadian Equities</b>						
Americas Silver Corporation (i)	953	610	21,249	953	734	21,249
Sokoman Minerals Corp. (ii)	900,000	189,000	204,133	900,000	261,000	204,133
Xmet Inc. (iii)	2,300,000	-	83,500	2,300,000	-	83,500
Thunder Gold Corp. (iv)	500,000	25,000	19,750	500,000	20,000	19,750
Benton Resources Inc. (v)	213,000	17,040	11,107	213,000	26,625	11,107
Signal Gold Inc. (vi)	20,000	6,900	5,133	20,000	6,500	5,133
Trifecta Gold Ltd. (vii)	900,000	40,500	234,000	1,000,000	50,000	260,000
Quadro Resources Ltd. (viii)	1,575,000	63,000	435,500	1,575,000	70,875	435,500
Manning Ventures Inc. (ix)	1,050,000	36,750	115,500	1,150,000	57,500	126,500
Magna Terra Minerals Inc. (vi)	350,000	15,750	115,500	350,000	14,000	115,500
General Copper Gold Corp. (x)	200,000	10,000	32,000	200,000	20,000	32,000
Class 1 Nickel and Tech. Ltd (xi)	1,089,000	136,125	522,720	1,089,000	157,905	522,720
Golden Sky Minerals Corp. (xii)	300,000	70,500	68,250	300,000	72,000	68,250
Thunderbird Minerals Corp (xii)	150,000	1	1	-	-	-
		611,176	1,868,342		757,139	1,905,342

- (i) The shares of Americas Silver Corporation (TSX:USA) were received from Spruce Ridge originally as shares of RX Gold & Silver (which later merged with U.S. Gold & Silver Inc.) as a dividend-in-kind based on the Company's pro-rata ownership of Spruce Ridge and are valued at the March 31, 2023 closing price of \$0.64 per common share (December 31, 2022 - \$0.77).
- (ii) The shares of Sokoman Minerals Corp. (formerly Sokoman Iron Corp.) (TSX-V: SIC) are valued at the March 31, 2023 closing price of \$0.21 (December 31, 2022 - \$0.29). During the year ended December 31, 2022, the Company disposed of 100,000 shares of Sokoman for gross proceeds of \$37,750 and recorded a loss of \$250 in the previous year.
- (iii) The shares of Xmet Inc. ("Xmet") held by the Company are valued at nil at March 31, 2023 (December 31, 2022 - nil) as the shares were downgraded to the NEX Exchange. The common shares of Xmet formerly traded on the TSX Venture Exchange under the symbol "XME".
- (iv) The shares of Thunder Gold Corp. (formerly White Metal Resources Corp. (TSX-V: TGOL) are valued at the March 31, 2023 closing price of \$0.05 per share (December 31, 2022- \$0.04).
- (v) The shares of Benton (TSX-V: BEX) currently held by the Company are valued at the March 31, 2023 closing price of \$0.08 per share (December 31, 2022 - \$0.125). During the year ended December 31, 2022 the Company disposed of 37,000 shares of Benton for gross proceeds of \$8,015 and recorded a gain on disposition of \$245 during the previous year.
- (vi) The shares of Signal Gold Inc. ("Signal") (TSX: SGNL) (formerly Anaconda Mining Inc.) are valued at the March 31, 2023 closing price of \$0.345 per share (December 31, 2022 - \$0.325). During the year ended December 31, 2022, the Company disposed of 20,000 shares of Signal for gross proceeds of \$14,200 and recorded a gain of \$400 in the previous year. In addition, the Company received 350,000 shares of Magna Terra Minerals Inc. (TSX-V: MTT) pursuant to the Jackson's Arm option. These shares were valued at the March 31, 2023 closing price of \$0.045 per share (December 31, 2022 - \$0.04).
- (vii) The shares of Trifecta Gold Ltd. ("Trifecta") (TSX-V: TG) are valued at the March 31, 2023 closing price of \$0.045 per share (December 31, 2022- \$0.05).
- (viii) The 1,575,000 shares (post 1 for 3 share consolidation completed during the current year) of Quadro Resources Ltd. ("Quadro") (TSX-V: QRO) are valued at the March 31, 2023 closing price of \$0.04 per share (December 31, 2022 - \$0.045 – pre-share consolidation). The shares were received pursuant to the Company's disposition of its 50% interest in the Staghorn gold project in Newfoundland and a 33.3% interest in claims on the Great Northern Peninsula in Newfoundland. The Company received an additional

300,000 shares of Quadro (included within the 1,575,000 shares referenced above) during the year ended December 31, 2022, pursuant to a second anniversary option payment on the Careless Cove and Jackson's Arm properties held by the Company.

- (ix) The shares of Manning Ventures Inc. (CSE: MANN) are valued at the March 31, 2023 closing price of \$0.035 per share (December 31, 2022 - \$0.05). The shares were received pursuant to the Company's option agreements with Manning on the Yukon property and the Flint Lake JV. During the year ended December 31, 2022, the Company disposed of 250,000 shares of Manning for gross proceeds of \$17,250. The Company recorded a gain on disposition of \$6,000 during the previous year.
- (x) The shares of General Copper Gold Corp. (formerly General Gold Resources Inc.) (TSX-V – GGLD) are valued at the March 31, 2023 closing price of \$0.05 per share (December 31, 2022 - \$0.10). The shares were received pursuant to the Company's option agreement on the Clark's Brook property (see note 6(d)).
- (xi) The shares of Class 1 Nickel and Technologies Limited ("Class 1") (CSE: NICO) are valued at the March 31, 2023 closing price of \$0.125 per share (December 31, 2022 - \$0.145). The shares were received pursuant to the Company's sale of its 100% interest in claims located in the River Valley area of Ontario (see note 6(d)). During the year ended December 31, 2022, the Company disposed of 161,000 shares of Class 1 for gross proceeds of \$44,910 and recorded a gain on disposition of \$4,660 during the previous year.
- (xii) The shares of Golden Sky Minerals Corp. (TSX-V – AUEN) ("Golden Sky") are valued at the March 31, 2023 closing price of \$0.235 per share (December 31, 2022 - \$0.24). The shares were received pursuant to the Company's option of its 100% interest in its Squid East claims located in the Yukon (see note 6(d)). During the period ended March 31, 2023, Golden Sky completed a spin-out transaction with certain of its mineral properties into a new wholly-owned company, Thunderbird Minerals Corp. ("Thunderbird"). Pursuant to this transaction, the Company received 0.5 shares of Thunderbird for each share of Golden Sky held thereby receiving 150,000 shares of Thunderbird. As Thunderbird is a private company with no quoted market value for its shares, the Company has valued the shares at a nominal amount.

## 6. EXPLORATION AND EVALUATION ASSETS

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with each property for the period ended March 31, 2023 and year ended December 31, 2022 is summarized in the tables below:

**For the three-month period ended March 31, 2023**

		<b>Flint Lake (a)</b>	<b>Ogden (b)</b>	<b>Dona Lake (c)</b>	<b>Other (d)</b>	<b>Total</b>
<b>Dec. 31, 2022 - Acquisition Costs</b>	\$	-	578,753	2,673	11,594	593,020
						-
Additions		-	-	-	9,518	9,518
Writedowns/Recoveries		-	-	-	-	-
<i>Subtotal</i>	\$	-	-	-	9,518	9,518
<b>March 31, 2023 - Acquisition Costs</b>	\$	-	<b>578,753</b>	<b>2,673</b>	<b>21,112</b>	<b>602,538</b>
<b>Dec. 31, 2022 - Exploration and Evaluation Expenditures</b>	\$	10,857	7,206,048	-	31,998	7,248,903
Assaying		-	-	-	-	-
Prospecting		-	-	-	418	418
Geological		-	5,040	-	1,673	6,713
Geophysical		-	(500)	-	-	(500)
Line Cutting		-	-	-	-	-
Trenching		-	-	-	-	-
Diamond Drilling		-	-	1,459	527	1,986
Miscellaneous		-	-	-	-	-
Aboriginal Consultation		-	-	-	-	-
Road Building/Maintenance		-	-	-	-	-
Writedowns/Recoveries		-	-	(1,459)	-	(1,459)
<i>Subtotal</i>	\$	-	4,540	-	2,618	7,158
<b>March 31, 2023 - Exploration and Evaluation Expenditures</b>	\$	<b>10,857</b>	<b>7,210,588</b>	<b>-</b>	<b>34,616</b>	<b>7,256,061</b>
<b>March 31, 2023 - Total</b>	\$	<b>10,857</b>	<b>7,789,341</b>	<b>2,673</b>	<b>55,728</b>	<b>7,858,599</b>

**For the year ended December 31, 2022**

		<b>Flint Lake (a)</b>	<b>Ogden (b)</b>	<b>Dona Lake (c)</b>	<b>Other (d)</b>	<b>Total</b>
<b>Dec. 31, 2021 - Acquisition Costs</b>	\$	-	556,207	463,750	18,433	1,038,390
Additions		-	22,546	15,611	24,681	62,838
Writedowns/Recoveries		-	-	(476,688)	(31,520)	(508,208)
<i>Subtotal</i>	\$	-	22,546	(461,077)	(6,839)	(445,370)
<b>Dec. 31, 2022 - Acquisition Costs</b>	\$	-	<b>578,753</b>	<b>2,673</b>	<b>11,594</b>	<b>593,020</b>
<b>Dec. 31, 2021 - Exploration and Evaluation Expenditures</b>	\$	10,857	6,183,727	3,007,197	28,878	9,230,659
Assaying			20,784	16,600	2,056	39,440
Prospecting					5,133	5,133
Geological			32,120	14,430	8,328	54,878
Geophysical			131,320	596		131,916
Diamond Drilling			838,097	1,145,915		1,984,012
Aboriginal Consultation				25,996		25,996
Writedowns/Recoveries				(4,210,734)	(12,397)	(4,223,131)
<i>Subtotal</i>	\$	-	1,022,321	(3,007,197)	3,120	(1,981,756)
<b>Dec. 31, 2022 - Exploration and Evaluation Expenditures</b>	\$	<b>10,857</b>	<b>7,206,048</b>	<b>-</b>	<b>31,998</b>	<b>7,248,903</b>
<b>Dec. 31, 2022 - Total</b>	\$	<b>10,857</b>	<b>7,784,801</b>	<b>2,673</b>	<b>43,592</b>	<b>7,841,923</b>

**a. Flint Lake Gold Property**

In 2007, the Company acquired an option on the Flint Lake Gold project which is located approximately 40 km east of Kenora, Ontario and consists of 14 claims totaling 160 units. The Company entered into an option agreement with Endurance Gold Corp. whereby under the initial option the Company could earn a 70% interest in the property by making share payments totaling 400,000 shares (completed in 2008) and completing work commitments of \$200,000 on the property (completed). The Company exercised a second option to earn a further 5% in the property by issuing a further 50,000 common shares (completed in 2008) and spent an additional \$250,000 on the property (completed). The Company has now earned a 81.3% interest and a joint venture has been formed on a 81.3% (the Company) and 18.7% (Endurance Gold Corp.) basis.

During the year ended December 31, 2020, the Company signed an option agreement with Manning Ventures Inc, ("Manning") whereby Manning has the right to earn a 100% interest of the Company's 81.3 % interest in the Flint Lake project by making cash payments to the Company totaling \$145,000 over three years (\$50,000 received); issue a total of 2,200,000 common shares of Manning to the Company over three years (700,000 received); and incur work expenditures of \$775,000 over three years. During the year ended December 31, 2022, Manning terminated the option and returned the project to the Company. The Company will continue to seek a partner to advance the project.

**b. Ogden**

The Company has entered into an agreement with Goldcorp Canada Ltd. ("Goldcorp") a wholly owned subsidiary of Newmont Goldcorp Corporation, to jointly explore Goldcorp's mining claims located in Ogden and Deloro Townships, located six kilometres south of Timmins, Ontario. The property consists of 84 patented and unpatented claims totaling approximately 1,184 hectares. The Company has earned a 50% interest in the property under the terms of the agreement.

The Company was the operator of the Property during the earn-in period has continued to operate the project afterwards, provided it continues to hold a 50% or greater interest in the property. During 2012, the Company received notice that Goldcorp did not intend to pursue its back-in right on the Ogden property and as a result, the Company and Goldcorp executed a 50/50 joint venture agreement. If either party becomes diluted to a 10% interest, that interest will be converted into a 2% Net Smelter Return Royalty.

**c. Dona Lake**

The Dona Lake property consists of 32 patented and leased mining claims totaling approximately 430.1 hectares and covers the past producing Dona Lake Mine.

During the year ended December 31, 2019, the Company entered into an option and joint venture agreement with Goldcorp Canada Ltd. ("Goldcorp"), a wholly owned subsidiary of Newmont Goldcorp Corporation ("Newmont Goldcorp"). The option agreement allows for the Company to earn 100% of Goldcorp's interest in the Dona Lake property by issuing to Goldcorp a total of 7,000,000 common shares of the Company and funding \$4,000,000 in exploration expenditures over 36 months as per the following schedule:

- Issuing 500,000 shares (issued) within 5 days of definitive agreement and TSX approval (the "Start Date") (received) and spending a minimum \$500,000 prior to 1st anniversary of the Start Date (completed)
- Issuing 1,500,000 shares on or before 1st anniversary (issued) of the Start Date and spending an additional \$1,000,000, to include a minimum 2,500 m drilling, prior to 2nd anniversary of the Start Date (optional)
- Issuing 2,000,000 shares on or before 2nd anniversary (issued) of the Start Date and spending an additional \$2,500,000, to include a minimum 10,000 m drilling, prior to 3rd anniversary of the Start Date (optional)
- Issuing 3,000,000 shares on or before 3rd anniversary of the Start Date (Year 3 – optional)

After vesting, Newmont Goldcorp will have a one-time option to elect to earn back 51% of the Dona Lake property by spending \$4,000,000 on exploration over the following 24 months. During the period ended March 31, 2022, the Company elected to return the Dona Lake property to Newmont Goldcorp due to economic conditions that would prohibit the Company from assuming the reclamation commitment held by Newmont Goldcorp with the Ontario Ministry of Northern Development and Mines. As a result, the Company

wrote off deferred exploration and evaluation expenditures totaling \$1,459 (December 31, 2022 - \$4,687,422) associated with the Dona Lake property in the current period.

#### **d. Other Properties**

Other Properties consists of several early-stage projects that the Company is evaluating for exploration potential. Included in Other Properties are certain projects that are subject to agreements that are more fully described below.

##### *Iron Horse*

The Company retains a 0.9% royalty from the Iron Horse Project located approximately 120 km Northeast of Labrador City, Labrador and held by Sokoman Minerals Corp.

##### *Yukon*

The Yukon property consists of 148 staked claims in two separate claim blocks in the Dawson Range gold district. The claim blocks are located in the Matson Creek area (Squid East and West properties). The Company owns a 100% interest in all claim blocks.

During the 2018 fiscal year, the Company optioned the property to Manning Ventures Inc. (“Manning”). Under the terms of the agreement, which was amended during the year ended December 31, 2020, Manning has the option to acquire a 75% interest in the property by making cash payments to the Company of \$55,000 (\$35,000 received with remaining \$20,000 due on or before December 31, 2021), issue to the Company a total of 800,000 Manning common shares (600,000 received with remaining 200,000 due on or before December 31, 2021) and incur work expenditures of \$1,050,000 (as amended) over four years (\$50,000 by December 31, 2021). Manning is the operator during the option period. Manning terminated the option agreement and returned the property to the Company in the 2021 fiscal year.

During the year ended December 31, 2022, the Company optioned the property to Golden Sky Minerals Corp. (“Golden Sky”). Under the terms of the agreement Golden Sky has the option to acquire a 100% interest in the property by making cash payments to the Company of \$100,000 (\$25,000 received), issue to the Company a total of 1,200,000 Golden Sky common shares (300,000 received) and incur work expenditures of \$850,000 over four years. Upon Golden Sky completing all cash and share payments and incurring all required work expenditures, the Company will retain a 2% NSR on any future mineral production. Golden Sky will have the right to acquire 50% of the NSR (1%) from the Company for \$1,000,000.

##### *Clarks Brook*

During the year ended December 31, 2020, the Company signed a letter of intent outlining terms whereby Deep Blue Trading Inc. (“DBT”) (a private company owned by an arm’s length third party) can earn a 100% interest in the Clarks Brook property by making cash payments of \$195,000 over three years (\$50,000 received) and issuing a total of 1,500,000 common shares over three years (200,000 shares of General Copper Gold Corp. (“General Gold”), the resultant issuer, received). Metals Creek will retain a 2% NSR, one-half (1%) of which can be purchased by DBT for \$1,000,000. DBT must also complete a 43-101 report on the property by the first anniversary. During the year ended December 31, 2022, General Gold terminated its agreement to acquire Clark’s Brook and returned the property to the Company.

##### *Careless Cove/Yellow Fox*

During the year ended December 31, 2020, the Company signed a letter of intent (“LOI”) with Quadro Resources Ltd. (“Quadro”) pursuant to which Quadro has the right to earn a 100% interest in the Company’s Careless Cove/Yellow Fox claims in Central Newfoundland. Pursuant to the terms of the LOI, Quadro must issue to the Company a total of \$80,000 and 2,000,000 Quadro common shares as amended during the year ended December 31, 2022 according to the following schedule:

- i.) \$15,000 (received) and 300,000 Quadro common shares (pre 1 for 3 share consolidation) (received);
- ii.) \$20,000 (received) and 300,000 Quadro common shares (pre 1 for 3 share consolidation) on or before the first anniversary (received);

- iii.) 300,000 Quadro common shares (post 1 for 3 share consolidation) on or before the second anniversary (per amendment to agreement whereby the Company agreed to accept 500,000 (pre 1 for 3 share consolidation) additional common shares of Quadro in lieu of the original \$20,000 cash payment originally agreed to) (received); and
- iv.) \$45,000 and 166,667 Quadro common shares (post 1 for 3 share consolidation) on or before the third anniversary.

Upon completion of the above payments, Quadro will have earned a 100% interest. The Company will retain a 2% net smelter royalty (“NSR”) on any future mineral production. Quadro will retain the right to buy back one-half the of the NSR (1% of the 2%) from the Company for \$1 million.

#### *River Valley, Ontario*

The Company owns a 100% interest in 20 claim units encompassing 500 hectares, located in Crerar Township approximately 70km east of Sudbury, Ontario and approximately 4.5km west of the Town of River Valley, Ontario. During the year ended December 31, 2021, the Company sold their 100% interest in the claims to Class 1 Nickel and Technologies Limited (“Class 1”) for 1,250,000 Class 1 common shares. The Company will retain a 2% NSR on the claims, one-half (1%) of which may be purchased by Class 1 at any time for \$1 million.

#### *Shabaqua, Ontario*

During the period ended March 31, 2023, the Company completed three separate agreements to acquire claim packages located within the Shebandowan Greenstone Belt, approximately 54km west of Thunder Bay, Ontario near Shabaqua Corners. The first purchase agreement was for 5 claim units (33.73 hectares). The Company issued 300,000 common shares for a 100% interest subject to a 2% NSR in favour of the vendor of which 1% may be purchased by the Company at any time for \$1 million.

The second purchase agreement was for 6 claim units. Subsequent to March 31, 2023, the Company paid \$7,500 and issued 400,000 common shares for a 100% interest subject to a 2% NSR in favour of the vendor of which 1% may be purchased by the Company at any time for \$1 million.

The final agreement to acquire 8 claim units was through an option agreement pursuant to which the Company will issue 750,000 common shares (150,000 upon regulatory approval, subsequently received and issued), pay \$65,000 (\$10,000 upon receipt regulatory approval, subsequently received and paid) and incur work expenditures of \$200,000 over three years. Upon fulfilling these requirements, the Company will have earned a 100% interest subject to a 2% NSR in favour of the vendor of which 1% may be purchased by the Company at any time for \$1 million.

## **7. CAPITAL AND RESERVES**

### **i. Share Capital**

At March 31, 2023, the authorized share capital comprised an unlimited number of common shares and an unlimited number of preferred shares.

To date, no preferred shares have been issued.

## ii. Share Purchase Warrants

Details of share purchase warrant transactions for the period ended March 31, 2023 and year ended December 31, 2022 are as follows:

	# of Warrants	Amount \$	Wtd. Avg. Ex. Price
Balance, December 31, 2021	48,053,346	2,482,200	\$0.16
Exercised during the year	(7,077,129)	(150,007)	\$0.10
Expired during the year	(8,016,033)	(172,047)	\$0.10
Balance, December 31, 2022	32,960,184	2,160,146	\$0.19
Expired during the year	(28,373,184)	(1,742,344)	\$0.165
Balance, December 31, 2022	4,587,000	417,802	\$0.30

For purposes of the warrants granted, the fair value of each warrant was estimated on the date of grant using an option pricing model.

Pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

The following table summarizes information about the warrants outstanding at March 31, 2023 and December 31, 2022:

Expiry Dates	Exercise Price	March 31, 2023 # of Warrants	December 31, 2022 # of Warrants
December 23, 2024	\$0.30	4,587,000	4,587,000

## iii. Stock Options

Details of stock option transactions for the period ended March 31, 2023 and year ended December 31, 2022 are as follows:

	# of Options	Wtd. Avg. Ex. Price
Balance, December 31, 2021	9,900,000	\$0.12
Expired during the year	(100,000)	\$0.10
Balance, December 31, 2022	9,800,000	\$0.12
Expired during the period	(1,275,000)	\$0.12
Balance, March 31, 2023	8,525,000	\$0.13

The following table summarizes information about the options outstanding at March 31, 2023 and December 31, 2022:

Expiry Dates	Exercise Price	December 31, 2022 # of Options	December 31, 2021 # of Options
January 2023	\$0.10	-	925,000
January 2024	\$0.07	2,025,000	2,025,000
February 2026	\$0.13	2,600,000	2,600,000
June 2026	\$0.18	250,000	500,000
July 2026	\$0.15	3,650,000	3,750,000
		8,525,000	9,800,000

The Company applies the fair value method of accounting for share-based payments using an option pricing model.



The Company has calculated nil (March 31, 2023 - \$75,501) as share-based payments expense and under capital stock as reserves for the nil options vesting to directors, officers and employees and consultants during the period (March 31, 2022 – 651,585 options vesting)

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

#### **iv. Stock Option Plan**

The Company has a Stock Option Plan (the “Plan”) for directors, officers, employees and consultants. The Plan authorizes the granting of options to purchase up to a maximum of 13,482,313 common shares of which 8,525,000 are outstanding at March 31, 2023. The Plan provides that:

- any options granted pursuant to the Plan shall expire no later than five years after the date of grant;
- any options granted pursuant to the Plan shall be non-assignable and non-transferable;
- the number of common shares issuable pursuant to the Plan to any one person in any 12 month period shall not exceed 5% of the outstanding common shares;
- the number of common shares issuable pursuant to the Plan to any one consultant in any 12 month period may not exceed 2% of the outstanding common shares;
- the number of common shares issuable pursuant to the Plan to persons employed in technical consulting activities may not exceed 2% of the outstanding common shares in any 12 month period.
- the Plan provides that options shall expire and terminate 90 days following the date the optionee ceases to be an employee, director or officer of, or consultant to, the Company, provided that if such termination is as a result of death of the optionee, the optionee’s personal representative shall have one year to exercise such options.
- the maximum number of common shares which may be reserved and set aside for issue under Plan is equal to up to 10% of the issued and outstanding common shares, provided that the Board may, subject to Shareholder and regulatory approvals, increase such number.
- the Plan provides that options granted under the plan shall vest in the optionee, and may be exercisable by the optionee as follows: (1) 1/3 on the date of granting; (2) 1/3 six months from the date of granting; and (3) 1/3 twelve months from the date of granting.

#### **v. Shareholder Rights Plan**

The Company has adopted a shareholder rights plan (the “Rights Plan”) to ensure the fair treatment of all Company shareholders in connection with any take-over bid for the outstanding common shares of the Company. The Rights Plan will provide the Company’s shareholders with adequate time to properly evaluate and assess a take-over bid without facing undue pressure or coercion. The Rights Plan also provides the board of directors of the Company with additional time to consider any take-over bid and, if applicable, to explore alternative transactions in order to maximize shareholder value.

Pursuant to the Rights Plan, any bid that meets certain criteria intended to protect the interests of all shareholders are deemed to be “Permitted Bids”. A Permitted Bid must be made by way of a take-over bid circular prepared in compliance with applicable securities laws and, in addition to certain other conditions, must remain open for 60 days. In the event a take-over bid does not meet the Permitted Bid requirements of the Rights Plan, the rights issued under the plan will entitle shareholders, other than any shareholder or shareholders involved in the take-over bid, to purchase additional common shares of the Company at a significant discount to the market price of the common shares at that time.

## 8. LEASE LIABILITY

The lease liability relates to a lease for the Company's office premises. The previous lease expired on March 31, 2020 and the Company executed a new lease on its existing office in September 2020 for a two-year period with renewal options. Using an estimated interest rate of 12% (the Company's estimated incremental borrowing rate) at December 31, 2022, the undiscounted lease obligation is as follows:

	March 31, 2023 \$	December 31, 2022 \$
Lease liability	19,200	22,400
Less: Current portion	(13,711)	(13,335)
Long-term portion	<u>5,489</u>	<u>9,065</u>

## 9. RELATED PARTY TRANSACTIONS

The Company paid or accrued the following amounts to related parties during the periods ended March 31, 2023 and 2022:

Payee	Description of Relationship	Nature of Transaction	March 31, 2023 Amount (\$)	March 31, 2022 Amount (\$)
Eastrock Exploration/ Wayne Reid	Company controlled by Wayne Reid, Director and Officer	Payments for geological consulting services and reimbursement of expenses	3,600	3,600
Nick Tsimidis	Director and Officer	Payments for consulting fees	-	4,500

The purchases from/fees charged by related parties are in the normal course of operation and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Included in accounts payable and accrued liabilities at March 31, 2023 is:

- \$1,380 in accounts payables to Eastrock Exploration Inc., (March 31, 2022: \$1,200 accrued).

Key management personnel remuneration during the period ended March 31, 2023 included \$88,218 (March 31, 2022 - \$87,866) in salaries and benefits and nil (March 31, 2022 - \$24,785) in share-based payments. There were no post-retirement or other long-term benefits paid to key management personnel during the year.

## 10. SUPPLEMENTAL CASH FLOW INFORMATION

The following transactions did not result in cash flows and have been excluded from operating, financing and investing activities:

	<u>March 31,</u> <u>2023</u> \$	<u>March 31,</u> <u>2022</u> \$
<i>Non-cash financing activities</i>		
Fair value of warrants issued	-	2,165,249
<i>Non-cash investing activities</i>		
Shares received for exploration and evaluation assets	-	38,250
Shares issued for mineral property option	9,000	-

## **11. INCOME (LOSS) PER SHARE**

Basic income (loss) per common share has been calculated using the weighted average number of common shares outstanding in each respective period. As the issue of shares upon the exercise of stock options and warrants would be anti-dilutive, diluted loss per common share is equivalent to basic loss per common share.

## **12. COMMITMENTS**

The Company executed a new lease agreement in September 2020 on its existing office premises. The term of the lease is for a period of two years with an option to renew for an additional two years. The agreement calls for monthly payments in the amount of \$1,255 plus HST. See note 8.