

OPAWICA EXPLORATIONS INC.

(An Exploration Stage Company)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MAY 31, 2023 AND 2022

(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51012, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of condensed 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 condensed interim financial statements for 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 condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

OPAWICA EXPLORATIONS INC.
STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
AS AT MAY 31, 2023

	Note	May 31, 2023 \$	August 31, 2022 \$
Assets			
Current assets			
Cash		59,241	271,867
Investments		220,000	220,000
Amounts and other receivable		481,007	448,904
Due from related party		-	124,004
Prepaid expenses		33,275	40,683
Total current assets		793,523	1,105,458
Non-current assets			
Long-term deposit		47,042	136,166
Exploration and evaluation assets		5,022,749	4,369,729
Equipment		5,749	6,517
Total non-current assets		5,075,540	4,512,412
Total assets		5,869,063	5,617,870
Liabilities			
Current liabilities			
Trade and other payables		202,875	318,374
Due to related party		64,795	-
Flow through premium		334,230	308,581
Total current liabilities		601,900	626,955
Non-current liabilities			
Loan payable		40,000	40,000
Total liabilities		641,900	666,955
Equity			
Share capital		44,269,086	43,231,086
Share subscriptions		(11,500)	(11,500)
Reserves		3,378,371	3,377,371
Accumulated deficit		(42,408,793)	(41,646,042)
Total equity		5,227,163	4,950,915
Total liabilities and equity		5,869,063	5,617,870

Nature of operations and going concern (Note 1)

These financial statements were approved and authorized for issue by the Board of Directors on July 28, 2023, and are signed on its behalf by:

/s/“Blake Morgan” Director /s/“Philippe Havard” Director

The accompanying notes form an integral part of these financial statements.

OPAWICA EXPLORATIONS INC.

STATEMENTS OF COMPREHENSIVE LOSS

FOR THE PERIODS ENDED MAY 31, 2023, AND 2022

(Unaudited - Expressed in Canadian Dollars)

		Three months ended May 31, 2023 (Unaudited)	Three months ended May 31, 2022 (Unaudited)	Nine months ended May 31, 2023 (Unaudited)	Nine months ended May 31, 2022 (Unaudited)
Expenses					
Depreciation		305	381	916	1,145
Employee costs		312,529	271,394	465,967	806,095
Finance expense		-	-	-	-
General and administrative		68,049	388,084	146,236	1,146,532
Loss (gain) on disposal of exploration and evaluation asset		-	-	-	-
Impairment loss of exploration and evaluation asset		-	-	-	-
Total recoveries (expenses)		(380,883)	(659,859)	(613,119)	(1,953,772)
Other items		32	1,629	1,021	6,431
Net loss and comprehensive loss for the period		(380,851)	(658,230)	(612,098)	(1,947,341)
Loss per common share, basic and diluted		\$ 0.01	\$ 0.02	\$ 0.01	\$ 0.07
Weighted average number of shares outstanding		50,206,012	30,517,006	49,405,414	26,305,283

The accompanying notes form an integral part of these financial statements.

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OPAWICA EXPLORATIONS INC.

STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED MAY 31, 2023, AND 2022

(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital \$	Share Subscriptions \$	Reserves \$	Accumulated Deficit \$	Total \$
Balance at August 31, 2021	37,442,469	41,737,081	-	3,201,496	(39,005,193)	5,938,346
Comprehensive loss for the period	-	-	-	-	(1,947,341)	(1,947,341)
Shares issued for private placements	3,638,635	2,001,250	-	-	-	2,001,250
Shares issued for option exercises	100,000	11,500	-	-	-	11,500
Shares issued for exploration and evaluation assets	600,000	192,000	-	-	-	192,000
Share issue costs	-	(491,721)	-	422,684	-	(69,037)
Share-based payments	-	-	-	193,780	-	193,780
Balance at May 31, 2022	41,781,104	43,450,109	-	3,817,960	(40,952,534)	6,320,498
Comprehensive loss for the period	-	-	-	-	(693,508)	(693,508)
Shares issued for option exercises	-	10,087	(11,500)	(10,087)	-	(11,500)
Shares issued for exploration and evaluation assets	-	(27,000)	-	-	-	(27,000)
Share issue costs	-	343,684	-	(403,684)	-	(60,000)
Share based payments	-	-	-	(31,780)	-	(31,780)
Flow through premium	-	(545,975)	-	-	-	(545,975)
Balance at August 31, 2022	41,781,104	43,231,086	(11,500)	3,378,371	(41,796,695)	4,8801,262
Comprehensive loss for the period	-	-	-	-	(612,098)	(612,098)
Shares issued for exploration and evaluation assets	10,000,000	400,000	-	-	-	400,000
Consolidation of shares 10:1	(46,602,994)	-	-	-	-	-
Shares issued for private placements	6,379,998	638,000	-	-	-	638,000
Balance at May 31, 2023	11,558,108	44,269,086	(11,500)	3,378,371	(42,408,793)	(5,227,163)

The accompanying notes form an integral part of these financial statements.

OPAWICA EXPLORATIONS INC.

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED MAY 31, 2023, AND 2022

(Expressed in Canadian Dollars)

	Nine months ended, May 31, 2023 \$	May 31, 2022 \$
Cash flows from operating activities		
Net loss for the period	(612,098)	(1,887,383)
Items not involving cash:		
Depreciation	768	737
Changes in non-cash working capital accounts		
Amounts and other receivable	(39,991)	(323,432)
Prepaid expenses	7,408	197,258
Trade and other payables	46,306	394,694
Total cash flows used in operating activities	13,723	268,521
Cash flows from investing activities		
Expenditures on exploration and evaluation assets	(651,483)	(2,173,545)
Total cash flows used in investing activities	(651,483)	(2,173,545)
Cash flows from financing activities		
Proceeds from share issuance	638,000	2,629,213
Share issuance for mineral interest	400,000	192,000
Share issue costs	-	(491,721)
Total cash flows provided by financing activities	1,038,000	2,329,492
Total (decrease) increase in cash during the period	(212,627)	(1,463,652)
Cash, beginning of the period	271,867	3,212,531
Cash, end of the period	59,241	1,748,878
Supplemental Cash Flow Information		
Interest paid	-	-
Taxes paid	-	-

The accompanying notes form an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Opawica Explorations Inc.'s business activity is the exploration and evaluation of mineral properties in Canada. Opawica Explorations Inc. ("the Company") was incorporated under the *Business Corporations Act* (Ontario) on September 17, 1975 and was continued into British Columbia by Certificate of Continuation issued under the *Business Corporations Act* (British Columbia) on September 29, 2006. The Company is listed on the TSX Venture Exchange, having the symbol OPW-V, as a Tier 2 mining issuer. The address of the Company's corporate office and principal place of business is Suite 488 – 625 Howe Street, Vancouver, British Columbia, Canada.

The Company has not generated revenue from operations and incurred a net loss of \$612,098 during the period ended May 31, 2023, has accumulated losses of \$42,408,793 since inception and expects to incur further losses in the development of its business, all of which forms a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise financing and generate future profitable operations. As the Company is in the exploration stage, the recoverability of costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. The Company's functional and presentation currency is the Canadian dollar.

Use of estimates

The preparation of these financial statements, in compliance with IFRS, requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash includes cash on hand and demand deposits with financial institutions.

a) Exploration and Evaluation Assets

All costs related to the acquisition, exploration and development of resource properties are capitalized and classified as intangible assets. Upon commencement of commercial production, the related accumulated costs are amortized to income using the unit of production method over estimated recoverable ore reserves. Management periodically assesses the carrying values of non-producing properties for impairment and if management determines that the carrying values cannot be recovered or the carrying values are related to properties that have lapsed, the unrecoverable amounts are expensed.

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the existence of economically recoverable and the ability to obtain the necessary financing to complete the development of such ore reserves and the success of future operations. The Company has not yet determined whether any of its mineral properties contains economically recoverable reserves. Amounts capitalized as exploration and evaluation assets represents costs incurred to date, less write-downs and recoveries, and does not necessarily reflect present or future values.

When options are granted on resource properties or properties are sold, proceeds are reflected as a reduction of the cost of the property. If sale proceeds exceed costs, the excess is reported as a gain.

Significant Accounting Policies can be found in the Annual Audited Financial Statements dated January 20, 2023, as filed on www.sedar.com.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

5. EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation assets are summarized as follows:

	Quebec Arrow- head	Quebec Bazooka (East and West)	Cornwall, BC	Quebec Richard Copper	NL Density, Mass, Eclipse	NL Chapel Island	NL Lil d'Espoir Lake	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, August 31, 2021	108,433	1,071,087	-	119,306	80,890	738,285	377,235	2,495,236
Exploration Costs:								
Drilling	422,321	938,496	-	-	-	-	-	1,360,817
Geology	515,269	592,560	-	-	65,938	63,683	2,500	1,239,950
Subtotal	937,590	1,531,056	-	-	65,938	63,683	2,500	2,600,767
Acquisition Costs	-	30,000	-	-	-	-	165,000	195,000
Impairment of E&E assets	-	-	-	(119,306)	-	(801,968)	-	(921,274)
Balance, August 31, 2022	1,046,023	2,632,143	-	-	146,828	-	544,735	4,369,729
Exploration Costs:								
Geology	126,252	81,268	12,000	-	13,500	-	-	233,020
Acquisition Costs	-	-	420,000	-	-	-	-	420,000
Balance, May 31, 2023	1,172,275	2,713,411	432,000	-	160,328	-	544,735	5,022,749

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

a) Arrowhead, Bazooka East and McWatters Properties (Joannes and Rouyn-Noranda, Quebec)

Pursuant to an agreement dated February 25, 2016, the Company acquired a 100% interest in the Arrowhead, Bazooka East and McWatters claims located in northern Quebec, Canada, for consideration of the issuance of 387,000 common shares of the Company (issued June 27, 2016). The Arrowhead property is subject to a 2% net smelter return ("NSR") royalty, of which the Company may purchase one half at any time for \$1,000,000. The Bazooka East property is subject to a 2% NSR royalty, of which the Company may purchase one-half at any time for \$1,000,000. The McWatters property is subject to a 1% NSR royalty, which the Company may purchase at any time for \$250,000.

Pursuant to a geological consulting services agreement dated May 13, 2021, the Company has granted GoldSpot Discoveries Corp. ("GoldSpot") a 0.5% NSR royalty on production from the Bazooka property and the option to purchase an additional 0.5% NSR royalty on production from the Arrowhead, Bazooka and McWatters properties for \$1,000,000 each.

The Company does not plan any further exploration on the McWatters property and accordingly all exploration and acquisition costs related to the McWatters property were written off during the 2021 and 2020 year-ends.

b) Bazooka West Property (Beauchastel, Quebec)

Pursuant to an agreement dated July 27, 2016, the Company acquired an option to purchase a 100% interest in 24 mineral claims located in Beauchastel Township, Quebec, collectively known as the Bazooka West property. The Company exercised the option on April 21, 2017, by paying an initial consideration of \$30,000 and the issuance of 50,000 common shares of the Company (issued August 25, 2016); paying an additional \$5,000 and issuance of 25,000 common shares of the Company (issued February 8, 2017) for an extension of the option agreement; and paying a final \$30,000 and issuance of 50,000 common shares of the Company (issued April 21, 2017). The Bazooka West property is subject to a 3% gross metal royalty, of which the Company may purchase 1% at any time before August 25, 2021, for \$1,000,000.

c) Density, Eclipse and Mass Properties (Newfoundland)

Pursuant to an agreement dated October 23, 2020, the Company has entered into an exploration, development and mine operating agreement with another company whereby the other company will identify claims to be staked in the Newfoundland area that are prospective for gold mineralization, and the Company will pay for the costs of staking the same, and thereafter the parties will explore and develop the staked claims whereby the Company will hold an initial 70% interest and the other company will hold an initial 30% interest. The Company has staked 906 claims under this agreement, known as the Density, Eclipse and Mass properties. The claims are being held in trust and will be transferred to a joint venture company.

Pursuant to a geological consulting services agreement dated May 13, 2021, the Company has granted GoldSpot the option to purchase a 0.5% NSR royalty on production from the Density, Eclipse and Mass properties for \$1,000,000 each.

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

d) Richard Copper Property (Quebec), Chapel Island and Lil d'Espoir Lake Properties (Newfoundland)

Pursuant to an agreement dated February 11, 2021, the Company has acquired a 100% interest in the Lil d'Espoir Lake, Chapel Island and Richard Copper properties for consideration of 2,000,000 common shares of the Company (issued on March 29, 2021, with a fair value of \$670,000) and 1,000,000 share purchase warrants exercisable at \$0.31 for a 24-month term (issued March 29, 2021 with a fair value of \$187,336). The Lil d'Espoir Lake and Chapel Island properties are subject to a 1.5% NSR royalty of which the Company may purchase 0.75% for \$1,000,000 at any time, and the Richard Copper property is subject to a 1% NSR.

Pursuant to a geological consulting services agreement dated May 13, 2021, the Company has granted GoldSpot the option to purchase a 0.5% NSR royalty on production from the Richard Copper, Chapel Island and Lil d'Espoir Lake properties for \$1,000,000 each.

Pursuant to an agreement dated July 16, 2021, the Company has agreed to acquire a 100% interest, subject to a 1.5% NSR royalty of which the Company may purchase 0.5% of the NSR for \$1,000,000 at any time, in Mineral License 030954M located within the Company's Chapel Island property claim blocks for consideration of \$25,000 (paid) and 250,000 common shares of the Company (issued August 16, 2021 with a fair value of \$96,250). During the year ended August 31, 2022, the Company had no further plans for this property and wrote the balance down to zero on the Chapel Island and Richard Copper properties.

6. LOANS PAYABLE

On October 1, 2019, and as amended on January 14, 2020, the Company entered into a loan agreement to borrow up to \$30,000 from a company. The principal amount of the loan plus accrued interest, being 10% per annum, is payable on demand after December 31, 2019. The Company has been advanced a total of \$38,060 under the loan agreement of which \$16,060 in principal was repaid along with accrued interest. The principal amount of \$22,000 along with interest payable of \$1,295 is included in trade and other payables as at August 31, 2020. During the year ended August 31, 2021, the principal amount of \$22,000 along with accrued interest was repaid.

On April 23, 2020, the Company received a loan from the Canadian government's Canada Emergency Business Account ("CEBA") Program in the amount of \$40,000. The CEBA is a government guaranteed loan of up to \$40,000 that is interest-free until December 31, 2023. The loan is available to help businesses with operating costs during COVID-19. Twenty-five percent of the loan amount (\$10,000) is eligible for forgiveness as long as the business pays back \$30,000 on or before December 31, 2023. If the business cannot pay back the loan by December 31, 2023, it can be converted into a 2-year term loan at an interest rate of 5%. The principal amount of \$40,000 is recorded as a non-current loan payable as at May 31, 2023.

7. FLOW THROUGH SHARES

During the year ended August 31, 2022, the Company issued 3,638,635 flow-through units at \$0.55 per unit for gross proceeds of \$2,001,150. During the year ended August 31, 2021, the Company issued 3,886,000 flow-through units at \$0.50 per unit for gross proceeds of \$1,943,000.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian exploration expenses (as defined in the Tax Act). As of August 31, 2022, the Company has an unspent flow-through commitment of \$1,243,611 (2021 - \$1,943,000).

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with the Tax Act. When applicable, this tax is accrued as a financial expense until paid.

8. SHARE CAPITAL

a) Common Shares

The Company is authorized to issue an unlimited number of common shares.

The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

The following is a summary of share issuances during the period ended January 31, 2023, and years ended August 31, 2022, and August 31, 2021:

- i) On September 17, 2020, the Company raised gross proceeds of \$375,000 of which \$157,125 was received before August 31, 2020, by way of a non-brokered private placement of 5,000,000 common shares priced at \$0.075. The shares are subject to voluntary hold periods and are restricted from trading as to 33.3% on each of four months and a day (January 18, 2021), eight months (May 17, 2021), and twelve months (September 17, 2021) after issuance.
- ii) On December 14, 2020, the Company closed the first tranche of a non-brokered private placement to raise gross proceeds of \$436,000 through the sale of 4,360,000 common shares priced at \$0.10. The shares are subject to voluntary hold periods and are restricted from trading as to 33.3% on each of four months and a day (April 15, 2021), eight months (August 14, 2021), and twelve months (December 14, 2021) after issuance.
- iii) On December 23, 2020, the Company closed the final tranche of a non-brokered private placement to raise gross proceeds of \$80,000 through the sale of 800,000 common shares priced at \$0.10. The shares are subject to voluntary hold periods and are restricted from trading as to 33.3% on each of four months and a day (April 24, 2021), eight months (August 23, 2021), and twelve months (December 23, 2021) after issuance.
- iv) On February 8, 2021, the Company issued 400,000 common shares priced at \$0.115 per share for gross proceeds of \$46,000 and 110,000 common shares priced at \$0.19 per share for gross proceeds of \$20,900 pursuant to stock option exercises.

8. SHARE CAPITAL (CONTINUED)

a) Common Shares (continued)

- v) On March 29, 2021, the Company issued 2,000,000 common shares with a fair value of \$0.335 per share pursuant to the Chapel Island, Lil d'Espoir Lake and Richard Copper property acquisition described in Note 5(f).
- vi) On May 31, 2021, the Company closed the first tranche of a non-flow through private placement to raise gross proceeds of \$2,164,500 through the sale of 5,411,250 non-flow-through units priced at \$0.40 and \$965,000 through the sale of 1,930,000 flow-through units ("FT Units") priced at \$0.50. Each FT Unit consists of one flow-through common share and one-half of a share purchase warrant, with each whole warrant exercisable at a price of \$0.60 per share for a two-year term. Finder's fees of \$91,425 and 122,312 share purchase warrants exercisable at \$0.60 per common share for a term of two years were paid on a portion of the private placement. Each unit consists of one common share and one-half of a share purchase warrant, with each whole warrant exercisable at a price of \$0.60 per share for a two-year term. The Company recognized a flow-through premium of \$193,000.
- vii) On June 4, 2021, the Company closed the final tranche of a non-brokered private placement to raise gross proceeds of \$1,181,000 through the sale of 2,952,500 non-flow through units priced at \$0.40 and \$978,000 through the sale of 1,956,000 flow through units ("FT Units") priced at \$0.50. Each FT Unit consists of one flow-through common share and one-half of a share purchase warrant, with each whole warrant exercisable at a price of \$0.60 per share for a two-year term. Each unit consists of one common share and one-half of a share purchase warrant, with each whole warrant exercisable at a price of \$0.60 per share for a two-year term. Finder's fees of \$132,550 and 150,000 share purchase warrants exercisable at \$0.60 per common share for a term of two years were paid on a portion of the private placement. The Company recognized a flow-through premium of \$195,600. In addition, other issuance costs of \$10,241 were incurred.
- viii) On June 9, 2021, 50,000 stock options priced at \$0.115 were exercised for gross proceeds of \$5,750.
- ix) On July 5, 2021, 10,500 stock options priced at \$0.115 were exercised for gross proceeds of \$1,208.
- x) On August 3, 2021, 100 stock options priced at \$0.19 were exercised for gross proceeds of \$19.
- xi) On August 16, 2021, the Company issued 250,000 common shares with a fair value of \$0.385 per share pursuant to the additional Chapel Island property acquisition described in Note 5(f).
- xii) Pursuant to an agreement dated October 14, 2021, the Company has agreed to acquire a 100% interest in Mineral Licence 33337M located beside the Company's Lil d'Espoir Lake property claim blocks for consideration of \$30,000 and 600,000 common shares of the Company. The shares were issued on January 7, 2022 with a deemed value of \$165,000, and the cash payment was made on January 17, 2022.
- xiii) On October 15, 2021, 100,000 stock options priced at \$0.115 were exercised for gross proceeds of \$11,500. The proceeds have been recorded as a subscription receivable.

8. SHARE CAPITAL (CONTINUED)

a) Common Shares (Continued)

- xiv) On December 10, 2021, the Company closed a non-brokered flow through private placement to raise gross proceeds of \$2,001,250 through the sale of 3,638,635 units priced at \$0.55. Each unit consists of one common share and one-half of a share purchase warrant, with each whole warrant exercisable at a price of \$0.75 per share for a two-year term. All securities issued are subject to a hold period expiring April 11, 2022. Finder's fees of \$108,900 and 109,091 share purchase warrants exercisable at \$0.55 per common share for a term of two years were paid in respect to the private placement.
- xv) Pursuant to an agreement announced on October 3, 2022, the Company issued 10,000,000 shares at a deemed value of \$400,000 and paid \$20,000 cash for the Cornwall Property located in British Columbia.
- xvi) On May 24, 2023, the Company announced the closing of a non brokered private placement to raise gross proceeds of \$638,000 through the sale of 6,379,998 units priced at \$0.10. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of \$0.15 per share for a three-year term. All securities issued are subject to a hold period expiring September 9 and 20, 2023. Additionally, 1/3 of the securities are subject to a 8 month hold period and 1/3 of the of the securities are subject to a 12 month hold period from the date of issue. The 6,379,998 warrants are subject to an acceleration clause stating: Pursuant to the financing, in the event the Company's share price closed at a price of CAD\$0.22 per share for a period of 10 consecutive trading days on the TSX Venture Exchange, the Company may accelerate the term of the Eligible Warrants to a period of 30 days commencing 7 days after the last premium trading day with notice given to the warrant holders in writing or by news release. No finder's fees were payable in respect to the private placement.

The following is a summary of changes in common share capital from August 31, 2021, to May 31, 2023:

	Number of Shares	Amount \$
Balance at August 31, 2021	37,442,469	41,737,081
Shares issued via private placement	3,868,635	2,001,250
Shares issued via stock option exercises	100,000	21,587
Share subscription receivable	-	(11,500)
Shares issued for exploration and evaluation assets	600,000	165,000
Flow through premium	-	(545,795)
Share issue costs	-	(148,037)
Balance at August 31, 2022	41,781,104	43,231,086
Shares issued for exploration and evaluation assets	10,000,000	400,000
Consolidation of shares	(46,602,994)	-
Shares issued via private placement	6,379,998	638,000
Balance at May 31, 2023	11,558,108	44,269,086

8. SHARE CAPITAL (CONTINUED)

b) Preferred Shares

The Company is authorized to issue an unlimited number of preference shares. No preferred shares have been issued since the Company's inception.

c) Reserves

	August 31, 2022 \$	August 31, 2021 \$
Warrants	494,648	475,648
Share Options	2,882,723	2,730,810
Reserves	<u>3,377,371</u>	<u>3,206,458</u>

d) Share Purchase Warrants

The following is a summary of changes in warrants from August 31, 2020, to May 31, 2023:

	Number of Warrants	Weighted Average Exercise Price
Balance at August 31, 2020	841,000	\$0.60
Issue of warrants	7,397,187	0.56
Expiry of warrants	(841,000)	0.60
Balance at August 31, 2021	7,397,187	0.56
Issue of warrants	1,928,409	0.74
Expiry of warrants	-	-
Balance at August 31, 2022	9,325,596	\$0.60
Consolidation of shares 10:1	(8,392,995)	-
Expiry of warrants	(479,334)	5.40
Issue of warrants	6,379,998	0.15
Balance at May 31, 2022	<u>6,833,265</u>	<u>\$0.58</u>

On March 29, 2021, the Company issued 1,000,000 warrants exercisable at \$0.31 per share for a two-year term pursuant to the Chapel Island, Lil d'Espoir Lake and Richard Copper property acquisition described in Note 5(f).

On May 31, 2021, the Company issued 3,670,625 warrants and 122,312 broker's warrants exercisable at \$0.60 per share for a two-year term pursuant to the private placements described in Note 8(a)(ix).

On June 4, 2021, the Company issued 2,454,250 warrants and 150,000 broker's warrants exercisable at \$0.60 per share for a two-year term pursuant to the private placement described in Note 8(a)(x).

On December 9, 2021, the Company issued 1,819,317 warrants and 109,092 broker's warrants exercisable at \$0.75 and \$0.55 per share for a two-year term pursuant to the private placement described in Note 8(a)(xi).

On May 8, 2023, the Company issued 6,379,998 warrants exercisable at \$0.15 for a three-year term pursuant to the private placement in Note 8(a)(xvi).

As at May 31, 2023 and May 31, 2022, the Company had outstanding and exercisable warrants as follows:

May 31, 2023	Exercise Price Per Share	Number of Warrants Outstanding May 31, 2022	Exercise Price Per Share	Expiry Date
181,932	\$7.50	1,819,317	\$0.75	December 9, 2023
10,909	\$5.50	109,091	\$0.55	December 9, 2023
-	-	1,000,000	\$0.31	March 29, 2023
-	-	3,792,937	\$0.60	May 31, 2023
260,425	\$6.00	2,604,250	\$0.60	June 4, 2023
6,379,998	\$0.15	-	-	May 9, 2026
6,833,265	\$0.58			

On March 8th, 2023, the Company completed a reverse split of 10:1 which resulted in a reduction of warrants remaining outstanding after the consolidation.

The fair value of the warrants issued for exploration and evaluation assets and broker's warrants was determined using the Black-Scholes option-pricing model using the following assumptions:

	2022	2021
Expected stock price volatility	97%	107%-111%
Risk-free interest rate	0.95%	0.24%-0.32%
Dividend yield	-	-
Expected life of options	2 years	2 years
Fair value price on date of grant	\$0.31	\$0.33-\$0.40
Forfeiture rate	-	-

9. SHARE-BASED PAYMENTS

a) Stock Options

The Company has a Stock Option Plan dated April 30, 2010, as amended March 17, 2011 (the "Plan"). Because it is a rolling stock option plan, the Company may grant options to a maximum of 10% of the issued and outstanding Common Shares, from time to time, under the Plan. However, share compensation awards under all share compensation arrangements of the Company may not exceed, in aggregate, 10% of the total number of issued and outstanding Common Shares. The Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees, subject to the price restrictions and other TSX Venture Exchange Policy requirements. Options granted under the Plan are subject to vesting terms determined by the Board. The Plan was approved by the Company's shareholders on May 9, 2011 and became effective as of that date.

A summary of the Company's stock options at May 31, 2023 and August 31, 2022 and the changes for the periods then ended on those dates is presented below:

9. SHARE-BASED PAYMENTS (CONTINUED)

a) Stock Options (continued)

	May 31, 2023		August 31, 2022	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	3,624,400	\$.37	3,624,400	\$0.37
Granted	645,000	0.34	645,000	0.34
Exercised	(100,000)	0.115	(100,000)	0.115
Effect of Consolidation	(3,752,460)	-	-	-
Ending balance	416,940	\$3.70	4,169,400	\$0.37

On October 27, 2020, the Company granted 1,700,000 stock options to directors, officers and consultants that are exercisable at a price of \$0.115 per common share for a five-year term. The options vested immediately.

On February 1, 2021, the Company granted 410,000 stock options to directors, officers and a consultant that are exercisable at a price of \$0.19 per common share for a five-year term. The options vested immediately.

On February 8, 2021, 400,000 stock options were exercised at a price of \$0.115 per common share and 110,000 stock options were exercised at a price of \$0.19 per common share.

On February 8, 2021, the Company granted 535,000 stock options to a director and an officer that are exercisable at a price of \$0.26 per common share for a five-year term. The options vested immediately.

On March 1, 2021, 150,000 stock options exercisable at \$0.115 per common share were cancelled.

On June 8, 2021, the Company granted 1,700,000 stock options exercisable at \$0.60 per common share for a five-year term to directors, officers, and consultants of the Company. The options vested immediately.

On June 9, 2021, 50,000 stock options priced at \$0.115 were exercised for gross proceeds of \$5,750.

On July 5, 2021, 10,500 stock options priced at \$0.115 were exercised for gross proceeds of \$1,208.

On August 3, 2021, 100 stock options priced at \$0.19 were exercised for gross proceeds of \$19.

On October 15, 2021, 100,000 stock options priced at \$0.115 were exercised for gross proceeds of \$11,500.

On October 18, 2021, 200,000 stock options priced at \$0.34 were issued expiring October 17, 2026.

On December 22, 2021, 445,000 stock options priced at \$0.34 were issued expiring December 21, 2026.

9. SHARE-BASED PAYMENTS (CONTINUED)

b) Stock Options (continued)

On March 8, 2023, the Company completed a 10:1 share consolidation which reduced the amount of options outstanding 10:1 and increased the corresponding exercise price 10:1.

Details of stock options outstanding and exercisable as at May 31, 2023 and August 31, 2022 are as follow:

Expiry Date	Exercise Price	May 31, 2023	Exercise Price	August 31, 2022
October 27, 2025	\$1.15	98,950	\$0.115	989,500
February 1, 2026	\$1.90	29,990	\$0.19	299,900
February 8, 2026	\$2.60	53,500	\$0.26	535,000
June 8, 2026	\$6.00	170,000	\$0.60	1,700,000
October 17, 2026	\$3.40	20,000	\$0.34	200,000
December 22, 2026	\$3.40	44,500	\$0.34	445,000
		416,940		4,169,400

The weighted average remaining contractual life of stock options outstanding at August 31, 2022 was 3.26 years.

The weighted average share price on option exercise dates was \$3.70 (2022 - \$0.37).

Fair Value of Options Issued During the Period

The weighted average fair value at grant date of options granted during the year ended August 31, 2022, was \$0.24 per option. The total fair value of the share-based compensation is \$162,000. The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

	2022	2021
Expected stock price volatility	104%	110%-139%
Risk-free interest rate	1.29%	0.36%-0.88%
Dividend yield	-	-
Expected life of options	5 years	5 years
Fair value price on date of grant	\$0.25 - \$0.26	\$0.13-\$0.59
Forfeiture rate	-	-

10. NATURE OF INCOME AND EXPENSES

	May 31, 2023	May 31, 2022
	\$	\$
Employee costs include:		
Consulting fees	29,500	423,640
Management fees	465,439	186,292
Share-based payments	-	193,780
	494,939	806,095
General and administrative expenses include:		
Accounting and legal fees	11,589	60,616
Business development	25,551	287,288
Filing fees	38,063	58,138
Investor communications & transfer agent	19,354	488,744
Office expenses	3,624	16,983
Rent	20,000	12,165
Travel	-	222,598
	613,119	1,146,532

11. RELATED PARTY TRANSACTIONS AND BALANCES

The following is a summary of the Company's related party transactions during the year:

a) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer. Key management personnel compensation is comprised of the following:

	May 31, 2023	May 31, 2022
	\$	\$
Short term employee benefits & director fees	7,500	-
Share-based payments	-	193,780
	7,500	193,780

The Company has entered into an Officer and Consulting Agreement with a company controlled by the Company's President and Chief Executive Officer (the "CEO") effective May 1, 2020, for no fixed term. As compensation for the services to be provided, the CEO's company received a monthly salary of \$10,000 which was increased to \$15,000 effective January 1, 2022. During the nine-month period ended May 31, 2023, the Company incurred \$135,000 (2022 - \$115,000) in management fees and \$200,000 in bonus' (2022 - \$Nil) with the CEO's company.

The Company entered into a Consulting Agreement with the Company's Chief Financial Officer (the "CFO") effective July 1, 2021, for no fixed term. As compensation for the services provided, the CFO will receive a monthly fee of \$5,000. During the nine-month period ended May 31, 2023, the Company incurred \$60,000 (2022 - \$45,000) in consulting fees with the CFO's company.

The Company has entered into a Director Agreement with a company controlled by a director effective November 1, 2020, for no fixed term. As compensation for the services to be provided, the director's company will receive a monthly fee of \$7,500. During the period ended May 31, 2023, the Company incurred \$15,000 (2022 - \$67,500) in management fees with the director's company. The Director resigned from the Company in October and is no longer incurring fees.

During the period ended May 31, 2023, the Company also paid additional directors fee of \$7,500 (2022 - \$Nil) to two of its directors.

As at May 31, 2023, the Company has \$64,795 (May 31, 2022 - \$Nil) due to related parties which consists of amounts from to directors and officers for expense reimbursements, and is included in accounts payable, which are due on demand, unsecured and are non-interest bearing.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

The Company's financial instruments include cash, amounts and other receivable, investment, trade and other payables, amounts due to related parties and loan payable. The fair value of these financial instruments approximates their carrying values.

The following table summarizes information regarding the carrying and fair values of the Company's financial instruments:

	May 31, 2023		August 31, 2022	
	Fair Value	Carrying Value	Fair Value	Carrying Value
	\$	\$	\$	\$
FVTPL assets (i)	59,241	59,241	271,867	271,867
Amortized cost assets (ii)	481,007	481,007	572,908	572,908
Amortized cost liabilities (iii)	641,900	641,900	358,374	358,374

(i) Cash

(ii) Amounts and other receivable

(iii) Trade and other payables, due to related parties and loan payable

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

As at May 31, 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Cash	59,241	-	-	59,241
As at August 31, 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Cash	271,867	-	-	271,867

The Company believes the recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates.

Credit risk

Credit risk is the risk of an unexpected loss associated with a counterparty's inability to fulfill its contractual obligations. Management evaluates credit risk on an ongoing basis and monitors activities related to amounts and other receivable including the amounts of counterparty concentrations. The primary sources of credit risk for the Company arise from its financial assets consisting of cash. The carrying value of these financial assets represents the Company's maximum exposure to credit risk. To minimize credit risk the Company only holds its cash and term deposits with high credit chartered Canadian financial institutions. As at May 31, 2023, the Company has no financial assets that are past due or impaired due to credit risk defaults.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its trade and other payables, amounts due to related parties and loan payable. The Company has working capital surplus of \$191,623 as at May 31, 2023 (\$478,503 surplus – August 31, 2022) and requires additional financing for operations and meet its current obligations. All the Company's financial liabilities, other than loan payable, are due on demand, do not generally bear interest and are subject to normal trade terms.

The following are the contractual maturities of financial liabilities as at May 31, 2023:

	Carrying Amount \$	Contractual Cash Flows \$	Within 1 year \$	Within 2 years \$	Within 3 years \$	Over 3 years \$
Trade and other payables	601,900	601,900	601,900	-	-	-
Loan payable	40,000	40,000	40,000	-	-	-
Total	641,900	641,900	641,900	-	-	-

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company is not exposed to significant interest rate risk as the Company has no variable interest-bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. All of the Company's financial instruments are denominated in Canadian dollars and all current exploration occurs within Canada. In management's opinion there is no significant foreign exchange risk to the Company.

Pandemic risk

The outbreak and spread of a novel coronavirus (COVID-19), declared a pandemic by the World Health Organization, has already had significant human, political, and economic consequences around the world. The coronavirus is still evolving, and its full impact remains to be determined. However, its wide-ranging effects include financial market volatility, interest rate cuts, disrupted movement of people and goods, and diminished consumer confidence. The effects of the coronavirus may be difficult to assess or predict with meaningful precision both generally and as an industry or issuer-specific basis. This is an uncertain issue where actual effects will depend on many factors beyond the control and knowledge of the Company.

13. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can support continued development of its exploration and evaluation assets, pursue the acquisition and exploration of other mineral interests, and to maintain a flexible capital structure for its projects for the benefit of its shareholders and other stakeholders. The Company is not exposed to externally imposed capital requirements.

The Company considers items included in Equity to be capital. 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. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, option its properties for cash from optionees, enter into joint venture arrangements, return capital to its shareholders or adjust the amount of cash and cash equivalents.

OPAWICA EXPLORATIONS INC.**NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS - Page 17****For the period ended May 31, 2023 and 2022**(Expressed in Canadian Dollars)

14. NON-CASH TRANSACTIONS

	Period ended May 31, 2023 \$	Period ended May 31, 2022 \$
Non-cash Investing and Financing Activities		
Shares and warrants issued for exploration and evaluation assets	400,000	-
Accounts payable in exploration and evaluation assets	52,722	-
