Consolidated Financial Statements of

Phenom Resources Corp.

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
Phenom Resources Corp.

Opinion

We have audited the accompanying consolidated financial statements of Phenom Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company had a working capital of $137,432 and a total deficit of $18,726,003 as at November 30, 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Melyssa Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
March 30, 2023

Phenom Resources Corp.
Consolidated Statements of Financial Position
As at November 30, 2022 and 2021
(Expressed in Canadian dollars)

	Note	November 30, 2022	November 30, 2021
		$	$
ASSETS			
Current			
Cash		**573,655**	1,437,895
GST receivable		**28,735**	13,834
Prepaid expenses and deposits		**55,223**	105,168
		657,613	1,556,897
Reclamation bonds	6	**250,286**	244,264
Exploration and evaluation assets	6, 9	**17,816,186**	14,714,083
TOTAL ASSETS		**18,724,085**	16,515,244
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	**520,181**	1,273,287
SHAREHOLDERS' EQUITY			
Share capital	7	**26,410,704**	23,148,716
Reserves	7	**10,519,203**	8,791,623
Deficit		**(18,726,003)**	(16,698,382)
		18,203,904	15,241,957
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**18,724,085**	16,515,244

Nature of operations and going concern (Note 1)
Commitments (Note 14)

Approved on behalf of the Board:

"Michael Mracek"
Director – Michael Mracek

"Paul S. Cowley"
Director – Paul S. Cowley

Phenom Resources Corp.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended November 30, 2022 and 2021
(Expressed in Canadian dollars)

	Note	2022	2021
		$	$
Audit, accounting and legal	9	**267,888**	149,480
Consulting fees	9	**223,489**	598,750
Depreciation		**-**	19,629
Exploration expenses		**31,017**	37,161
Foreign exchange loss		**4,824**	19,944
Investor relations and marketing		**500,615**	474,625
Office expenses		**58,828**	53,586
Stock based compensation	7, 9	**-**	906,228
Transfer agent and filing fees		**87,625**	88,347
Travel and accommodation		**9,754**	3,936
		(1,184,040)	(2,351,686)
Interest income		**4,829**	2,041
Write-down on exploration and evaluation assets	6	**(848,410)**	(416,069)
Loss and comprehensive loss for the year		**(2,027,621)**	(2,765,714)
Basic and diluted loss per common share		**(0.02)**	(0.04)
Weighted average number of common shares outstanding – basic and diluted		**81,797,623**	67,937,281

Phenom Resources Corp.
Consolidated Statements of Cash Flows
For the years ended November 30, 2022 and 2021
(Expressed in Canadian dollars)

	2022	2021
	$	$
Cash flows provided by (used in):		
Operating activities		
Loss for the period	**(2,027,621)**	(2,765,714)
Items not involving cash:		
Lease asset and equipment depreciation	**-**	19,629
Lease finance charges	**-**	87
Share-based compensation	**-**	906,228
Write-down on exploration and evaluation assets	**848,410**	416,069
Net changes in non-cash working capital items:		
GST receivable	**(14,901)**	11,571
Prepaid expenses and deposits	**49,945**	(852)
Accounts payable and accrued liabilities	**68,062**	(38,020)
Cash used in operating activities	**(1,076,105)**	(1,451,002)
Investing activities		
Exploration and evaluation asset expenditures	**(4,771,681)**	(5,402,461)
Reclamation bond	**(6,022)**	(157,627)
Cash used in investing activities	**(4,777,703)**	(5,560,088)
Financing activities		
Proceeds from private placement	**4,829,100**	6,000,000
Proceeds from exercise of options	**20,000**	106,625
Proceeds from exercise of warrants	**197,167**	758,459
Lease payments	**-**	(5,784)
Share issuance costs	**(56,699)**	(99,226)
Cash provided by financing activities	**4,989,568**	6,760,074
Change in cash during the year	**(864,240)**	(251,016)
Cash, beginning of year	**1,437,895**	1,688,911
Cash, end of year	**573,655**	1,437,895

Supplemental disclosure with respect to cash flows (Note 13)

Phenom Resources Corp.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended November 30, 2022 and 2021
(Expressed in Canadian dollars)

	Common shares	Share capital	Reserves	Deficit	Total
	number	$	$	$	$
Balance – November 30, 2020	**57,357,582**	**17,780,135**	**5,578,525**	**(13,932,668)**	**9,425,992**
Shares issued for:					
cash pursuant to private placement	15,000,000	4,157,361	1,842,639	-	6,000,000
cash pursuant to exercise of options	570,000	179,956	(73,331)	-	106,625
cash pursuant to exercise of warrants	2,917,150	1,005,356	(246,897)	-	758,459
Share issuance costs – cash	-	(99,226)	-	-	(99,226)
Share issuance costs – finders warrants	-	(52,866)	52,866	-	-
Warrants issued for exploration and evaluation assets	-	-	680,843	-	680,843
Shares issued for exploration and evaluation assets	400,000	178,000	-	-	178,000
Commitment to issue shares – bonus shares	-	-	50,750	-	50,750
Share-based compensation	-	-	906,228	-	906,228
Loss and comprehensive loss	-	-	-	(2,765,714)	(2,765,714)
Balance – November 30, 2021	**76,244,732**	**23,148,716**	**8,791,623**	**(16,698,382)**	**15,241,957**
Shares issued for:					
cash pursuant to private placement	12,097,000	3,025,715	1,803,385	-	4,829,100
cash pursuant to exercise of options	50,000	39,945	(19,945)	-	20,000
cash pursuant to exercise of warrants	653,333	253,027	(55,860)	-	197,167
Share issuance costs – cash	-	(56,699)	-	-	(56,699)
Loss and comprehensive loss	-	-	-	(2,027,621)	(2,027,621)
Balance – November 30, 2022	**89,045,065**	**26,410,704**	**10,519,203**	**(18,726,003)**	**18,203,904**

1. NATURE OF OPERATIONS AND GOING CONCERN

Phenom Resources Corp. (the "Company" or "Phenom Resources") is in the business of the acquisition, exploration and evaluation of mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company has an interest in properties located in Nevada and Arizona, USA. The Company is incorporated under the Business Corporations Act (British Columbia). The common shares of the Company trade on the TSX Venture Exchange ("TSX-V") under the symbol "PHNM". The Company's corporate head office is located at 1100-1199 W. Hastings Street, Vancouver, British Columbia, Canada.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. At November 30, 2022, the Company had not yet achieved profitable operations, had a deficit of $18,726,003 (2021 - $16,698,382) since inception, a working capital of $137,432 (2021 - $283,610), and expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to explore its exploration property interests and to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

In March 2020, the World Health Organization declared coronavirus ("COVID-19") a global pandemic. The COVID-19 outbreak has resulted in social and economic disruption and had a resultant impact on the mining and exploration industries and capital markets. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19. However, the duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time and could have a material impact on the Company's future financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted.

2. BASIS OF PRESENTATION

Statement of compliance
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") with interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved by the board of directors on March 30, 2023.

Basis of presentation
These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

Consolidation
These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Appleton Chile Exploration Limitada and Copper One USA Inc. ("CO USA"). The results of Appleton Chile Exploration Limitada and CO USA will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. 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. All intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

Foreign currencies

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements. These consolidated financial statements are presented in Canadian dollars. The Canadian dollar is considered the functional currency and the presentation currency of the Company and all of its subsidiaries.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. All gains and losses on translation of these foreign currency transactions are charged to the statement of loss and comprehensive loss.

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments held in the form of guaranteed investment certificates that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. As at November 30, 2022 and 2021 there were $nil in cash equivalents.

Exploration and evaluation assets

The Company records its interests in exploration and evaluation assets at cost less option payments received and other recoveries. Exploration and acquisition costs relating to these interests are capitalized until the properties to which they relate are placed into production, sold or allowed to lapse. Acquisition costs and deferred exploration and development costs will be amortized over the useful life of the mine following attainment of commercial production or will be written off if the property or project is abandoned.

Exploration costs that are not attributable to a specific property are charged to operations as general exploration expense. Exploration costs incurred prior to the Company acquiring the legal rights to a property are charged to operations as general exploration expense.

The Company is in the process of exploring its exploration and evaluation assets. Management reviews the carrying value of the exploration and evaluation assets on a periodic basis and will recognize impairment in value based upon current exploration and development results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries and are not intended to represent present or future values. The ultimate recovery of such capitalized costs is dependent upon the development of economic ore reserves or the sale of mineral rights.

Equipment

Equipment is carried at cost less accumulated depreciation and any recognized impairment loss, net of reversals. Depreciation is computed using the straight-line method over estimated useful lives as follows:

Computer hardware	3 years

Equipment is derecognized upon disposal, when held for sale, or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Impairment of non-financial assets
At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Decommissioning and restoration provisions
The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties. Provisions for site closure and restoration are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related exploration property. These costs are depreciated over the same economic life as the related asset.

The obligation is accreted over time for the change in their present value, with this accretion charge recognized as a finance expense in profit or loss. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in profit or loss.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and restoration costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and restoration obligations becomes available. As at November 30, 2022 and 2021, the Company had not recognized any decommissioning liabilities.

Financial Instruments
The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes a party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its cash, accounts payable and accrued liabilities at amortized cost.

Measurement
Financial assets at FVTOCI
Investments in equity instruments designated at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with both realized and unrealized gains and losses recognized in other comprehensive income (loss) in the period in which they arise. Interest income from these financial assets is included as finance income using the effective interest rate method. As at November 30, 2022 and 2021, the Company does not carry any financial assets at FVTOCI.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition of financial assets and liabilities
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss in the period in which they arise. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Share capital
Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

Broker warrants and warrants
Warrants issued to agents or brokers in connection with a financing are recorded at fair value using the Black-Scholes option pricing model and charged to share issuance costs associated with the offering with an offsetting credit to reserves in shareholders' equity.

The Company accounts for warrants issued in unit offerings comprising a common share and warrant using the relative fair value method. Under this method, the fair value of common shares and warrants are measured at the issuance date and the proceeds raised are allocated to the common shares and warrants proportionately. The fair value of common shares is measured based on the quoted market price of the Company's stock and the warrant issued is measured at the issue date using the Black-Scholes valuation model.

Warrants issued to optionors in connection with the acquisition of exploration and evaluation assets are recorded at fair value using the Black-Scholes option pricing model and charged to the exploration and evaluation assets associated with the issuance, with an offsetting credit to reserves in shareholders' equity.

Proceeds of the exercise of these warrants are credited to share capital together with the corresponding amount, if any, of the original warrant charge included in reserves.

Share-based compensation
The Company has established a stock option plan for the benefit of full-time and part-time employees, officers, directors and consultants of the Company and its affiliates. The Company accounts for share-based compensation using the fair value method. Share-based compensation paid to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation paid to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The fair value of the stock options granted is recorded as a charge to profit or loss or deferred exploration costs and the corresponding amount is charged to reserves. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Any consideration received on the exercise of stock options together with the related portion of reserves is credited to share capital.

Income tax
Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable incomes will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share
Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted loss per share represents the loss for the year, divided by the weighted average number of common shares outstanding during the year plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

Leases
At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a

lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

4. FUTURE ACCOUNTING STANDARDS NOT YET EFFECTIVE

IAS 37 – Provisions ("IAS 37")
IAS 37 has been amended to clarify (i) the meaning of "costs to fulfil a contract", and (ii) that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. These amendments are effective for periods beginning on or after January 1, 2022. These amendments will not have a significant impact on the consolidated financial statements of the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1")
IAS 1 has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023. The Company is currently assessing the impact of this amendment.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgement in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgements are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.

Judgements

- Going concern – Judgement is required in making assumptions that the Company is a going concern and will continue in operation for the foreseeable future for at least one year.

- Recoverability of exploration and evaluation assets – Judgement is required when assessing whether indicators of impairment exist for exploration and evaluation assets. Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

(Expressed in Canadian dollars)

- Functional currency – Judgement is required when determining the functional currency for the parent and subsidiaries in foreign jurisdictions in accordance with *IAS 21 – The effects of changes in foreign exchange rates*.

- Deferred income tax assets – Judgement is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Estimates

Share-based compensation and warrant valuation – The Company measures the cost of equity-settled transactions with employees and finders by reference to the fair value of the equity instruments at the date at which they were granted. Estimating the fair value for share-based payment transactions and finders' warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, and dividend yield and making assumptions about them.

6. EXPLORATION AND EVALUATION ASSETS

	Carlin Gold-Vanadium	South Carlin Section 22	SMOKE Property	AVP Property	Total
	$	$	$	$	$
Balance as at November 30, 2020	**8,310,241**	**-**	**-**	**-**	**8,310,241**
Acquisition costs	1,877,344	85,530	78,800	157,329	2,199,003
Deferred exploration expenditures					
Assaying	585,955	65,467	-	75,645	727,067
Consulting	58,110	916	1,019	-	60,045
Drilling	2,963,043	303,614	-	119,670	3,386,327
Licenses, permits and fees	84,346	8,414	-	8,827	101,587
Surveying	48,900	4,317	-	38,148	91,365
Other	210,288	25,800	1,979	16,450	254,517
	5,827,986	494,058	81,798	416,069	6,819,911
Write-down	-	-	-	(416,069)	(416,069)
Balance as at November 30, 2021	**14,138,227**	**494,058**	**81,798**	**-**	**14,714,083**
Acquisition expenditures – cash	1,223,702	128,523	-	-	1,352,225
Acquisition expenditures – staking	-	-	12,939	-	12,939
Deferred exploration expenditures					
Assaying	245,830	-	180,055	-	425,885
Consulting	161,759	1,263	40,710	-	203,732
Drilling	1,132,201	-	420,109	-	1,552,310
Licenses, permits and fees	32,161	-	-	-	32,161
Surveying	10,139	-	25,737	-	35,876
Other	239,995	8,328	87,062	-	335,385
	3,045,787	138,114	766,612	-	3,950,513
Write-down	-	-	(848,410)	-	(848,410)
Balance as at November 30, 2022	**17,184,014**	**632,172**	**-**	**-**	**17,816,186**

Carlin Gold-Vanadium Property, Nevada

On September 22, 2017 the Company entered into an assignment agreement with America's Gold Exploration Inc. ("AGEI"). Pursuant to the assignment agreement, AGEI assigned to the Company all of AGEI's interest in an option agreement between AGEI and Golden Predator US Holding Corp. ("GPUS") dated June 14, 2017 as amended September 12, 2017. The option agreement grants to Phenom Resources the option to acquire a 100% interest in the Carlin Gold-Vanadium Project (the "Property") located in Elko Nevada.

During the year ended November 30, 2021, the Company amended the option agreement between AGEI and GPUS. The amendment focused on the extension of the Net Smelter Return ("NSR") buy out. To compensate for the extension, the Company paid part of the remaining $1,910,000 earlier and was required to issue 1,000,000 common share purchase warrants within 3 business days of TSX Venture Exchange approval. Each warrant will be exercisable for one common share at a purchase price of CAD$0.75 per share for a period of five years from the date of issuance (issued on July 9, 2021). The value of $680,843 attributed to the warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - $0.83; exercise price - $0.75; risk-free rate – 0.96%; expected life – 5.0 years; expected volatility – 116%; and expected dividends – nil.

Under the amendment, the Company has the right to purchase the total underlying 2% royalty at any time on or before June 30, 2023 (the "Royalty Purchase Payment Deadline") upon payment of $4,000,000. The Royalty Purchase Payment Deadline may be extended in one year increments for up to four additional years upon the payment of $250,000 per year due on or before each of June 30, 2023, 2024, 2025 and 2026.

On June 27, 2022, the Company announced it has completed all work commitments and option payments, including the final US$955,000 cash payment, under its option agreement to acquire the Carlin Gold-Vanadium Project. The Company now owns 100% of the Carlin Gold-Vanadium Project subject to a 2% NSR royalty which may be purchased by the Company at any time on or before June 30, 2027, for US$4,000,000 and up to four annual payments of US$250,000.

The total consideration applicable to Phenom Resources' acquisition of the Property under the assignment agreement with AGEI was as follows:

- US$15,000 on execution of the LOI (paid on September 1, 2017);
- Pay US$35,000 (paid on November 9, 2017) and issue 1,000,000 common shares (issued on November 8, 2017) on the Closing Date of the Agreement; and
- Issue 1,000,000 common shares on the date that is one year from the Closing Date (issued on October 15, 2018).

The consideration applicable to Phenom Resources' acquisition of the Property under the option agreement with GPUS is as follows:

- Pay US$15,000 on June 14, 2017 (paid by AGEI prior to the assignment agreement);
- Pay US$25,000 by June 14, 2018 (paid on May 28, 2018);
- Pay US$50,000 by June 14, 2019 (paid on May 22, 2019);
- Pay US$955,000 by July 30, 2021 (paid on July 15, 2021); and
- Pay US$955,000 by June 30, 2022. (paid on June 17, 2022).

In addition, the Company is required to incur $1,022,000 in exploration expenditures on the property as follows:

- US$50,000 on or before December 15, 2017 (completed);
- US$125,000 on or before December 15, 2018 (completed);
- US$225,000 on or before December 15, 2019 (completed);
- US$250,000 on or before December 15, 2020 (completed);
- US$250,000 on or before December 15, 2021 (completed); and
- US$122,000 on or before June 14, 2022 (completed).

The Company purchased the 1.5% NSR from AGEI and adopted certain amendments to the assignment agreement for 1,300,000 common shares (issued on December 5, 2018 with a fair value of $1,222,000).

On January 17, 2019, the Company entered into an Access and Mineral Lease Agreement which increased mineral rights adjacent to the Carlin Gold-Vanadium property (referred to as the "Cole Creek Property"). Under the terms of the Access and Mineral Lease Agreement the Company paid the lessor US$50,000 on signing (paid) and is required to pay an additional US$20,000 annually for the lease.

In addition, the Company is to incur an aggregate of US$100,000 in expenditures before January 19, 2022 (completed). In the event the Company commences mining operations on the Cole Creek Property, the annual payments will be replaced with a 5% NSR royalty in favor of the lessor. The lessor also owns or has rights to certain lands containing roads which the Company wishes to use for access to the Cole Creek Property and the Carlin Gold-Vanadium property. The Access and Mineral Lease Agreement grants to the Company the right to access such lands and roads for a payment of US$15,000 (paid) on signing and US$5,000 annually (paid) which will terminate at the Company's start of development and mining operations. The Company has the right to terminate the lease portion of the agreement without termination of the road access portion of the agreement.

As at November 30, 2022 and 2021, the Company holds a total of $202,797 (US$157,424) in reclamation bonds for the Carlin Gold-Vanadium Property.

South Carlin Section 22 Property, Nevada

On July 12, 2021, the Company, through its wholly-owned subsidiary, Copper One USA, Inc., signed a property option agreement with two private vendors pursuant to acquire a 100% interest in 36 unpatented mining claims located one mile north of the Company's Carlin Gold-Vanadium Property on the Carlin Gold Trend of Nevada, commonly referred to as the South Carlin Section 22 Property ("Section 22").

Pursuant to the option agreement, in order to fully exercise its option and acquire the property, the Company will pay an aggregate of US$920,000 as follows:

- US$70,000 on signing (paid);
- US$100,000 on or before June 3, 2022 (paid);
- US$200,000 on or before June 3, 2023;
- US$250,000 on or before June 3, 2024; and
- US$300,000 on or before June 3, 2025

In addition, the Company is required to incur an aggregate of US$1,000,000 in exploration expenditures on the property over the next four years as follows:

- US$100,000 on or before June 3, 2022; (completed)
- US$200,000 on or before June 3, 2023; (completed)
- US$200,000 on or before June 3, 2024; and
- US$500,000 on or before June 3, 2025.

The vendors will also retain an aggregate 4% NSR on any mineral products derived from the property.

As at November 30, 2022 and 2021, the Company holds a total of $12,850 (US$9,752) in reclamation bonds for the South Carlin Section 22 Property.

SMOKE Property, Nevada

On October 27, 2021, the Company signed a three-year option agreement with Nevada Gold Ventures, LLC ("Nevada Gold"), whereby the Company has the option to acquire a 100% interest in the SMOKE Property. As consideration for the property, the Company will make cash payments of US$10,000 (paid), issue 600,000 common shares to Nevada Gold (150,000 issued), and incur US$500,000 in exploration expenditures on the property over the next three years (completed).

As at November 30, 2022, the Company holds a total of $16,539 (US$12,787) (November 30, 2021 - $10,517 (US$8,153)) in reclamation bonds for the SMOKE Property.

On November 15, 2022, the Company terminated its option agreement. Accordingly, the Company recorded a write-down of exploration and evaluation asset of $848,410 for the year ended November 30, 2022.

AVP Property, Nevada

On January 14, 2021, the Company entered into an option agreement with Nevada Gold Ventures, LLC ("Nevada Gold") whereby the Company has the option to acquire a 100% interest in the AVP Property located in Eureka, Nevada. As consideration for the property, the Company will make cash payments of US$50,000 (US$25,000 paid), issue 1,500,000 common shares (250,000 issued), and incur US$2,000,000 in exploration expenditures on the property.

As at November 30, 2022 and 2021, the Company holds a total of $9,100 (US$7,554) in reclamation bonds for the AVP Property.

The Company recorded a write-down of exploration and evaluation asset of $416,069 during the year ended November 30, 2021 as the Company terminated the option agreement on January 2, 2022.

West Jerome, Arizona

On August 22, 2013, the Company acquired all of the issued and outstanding shares of CO USA. The acquisition included an undivided 100% interest in West Jerome located in Arizona. The property is subject to a 1.5% NSR to one party and a 0.5% NSR to another party.

During the year ended November 30, 2022 the Company paid $22,932 (2021 - $37,161) in permitting and geophysical consulting fees to keep the West Jerome property in good standing. These costs have been expensed as exploration costs on the statement of loss and comprehensive loss.

Other

As at November 30, 2022 and 2021, the Company holds $9,000 of reclamation bonds related to its previously held Spences Bridge prospect.

7. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value.

b) Financing:

For the year ended November 30, 2022

On November 10, 2022 and October 21, 2022 the Company closed two tranches of a private placement of a total of 6,097,000 units at a price of $0.30 per unit for gross proceeds of $1,829,100. Each unit is comprised of one common share and one half warrant. Each warrant entitles the holder to purchase one common share for period of three years at a price of $0.50. The value of $291,299 attributed to the warrants related to the first tranche was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - $0.34; exercise price - $0.50; risk-free rate – 3.56%; expected life – 3.0 years; expected volatility – 95.62%; and expected dividends – nil. The value of $157,161 attributed to the warrants related to the second tranche was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - $0.38; exercise price - $0.50; risk-free rate – 3.93%; expected life – 3.0 years; expected volatility – 97.89%; and expected dividends – nil. Additionally, in connection with the private placement, the Company incurred $38,146 in cash share issuance costs.

On March 3, 2022, the Company closed a private placement of 6,000,000 units at a price of $0.50 per unit for gross proceeds of $3,000,000. Each unit is comprised of one common share and one warrant. Each warrant entitles the holder to purchase one common share for period of four years at a price of $0.75. The value of $1,354,925 attributed to the warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - $0.63; exercise price - $0.75; risk-free rate – 1.55%; expected life – 4.0 years; expected volatility – 97.88%; and expected dividends – nil. Additionally, in connection with the private placement, the Company incurred $18,553 in cash share issuance costs

During the year ended November 30, 2022, a total of 583,333 warrants with an exercise price of $0.26 per share and a total of 70,000 warrants with an exercise price of $0.65 were exercised for gross proceeds of $197,167. The fair value of the warrants of $55,860 was reclassified from reserves to share capital.

During the year ended November 30, 2022, a total of 50,000 options with an exercise price of $0.40 per share were exercised for gross proceeds of $20,000. The fair value of the stock options of $19,945 was reclassified from reserves to share capital.

For the year ended November 30, 2021

On May 5, 2021 and May 21, 2021, the Company closed a non-brokered private placement by issuing a total of 15,000,000 units at $0.40 per unit for total gross proceeds of $6,000,000. Each unit consists of one common share and one-half purchase warrant. Each purchase warrant is exercisable into one common share for a period of three years at an exercise price of $0.55 per share. The value of $1,842,639 attributed to the warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - $0.55; exercise price - $0.55; risk-free rate – 0.51%; expected life – 3.0 years; expected volatility – 105%; and expected dividends – nil.

Additionally, in connection with the private placement, the Company incurred $99,226 in cash share issuance costs and issued 150,325 finders’ warrants. The value of $52,866 attributed to the finders’ warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - $0.55; exercise price - $0.55; risk-free rate – 0.51%; expected life – 3.0 years; expected volatility – 105%; and expected dividends – nil.

During the year ended November 30, 2021, a total of 2,917,150 warrants with an exercise price of $0.26 per share were exercised for gross proceeds of $758,459. The fair value of the warrants of $246,897 was reclassified from reserves to share capital.

During the year ended November 30, 2021, a total of 570,000 options with exercise prices of $0.10 to $0.60 per share were exercised for gross proceeds of $106,625. The fair value of the stock options of $73,331 was reclassified from reserves to share capital.

c) Stock options:

Stock option plan

The Company has adopted a stock option plan which authorizes the grant of up to 10% of the issued and outstanding shares as incentive stock options to directors, officers, insiders, employees and other service providers to the Company. The stock option plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12-month period. The number of incentive stock options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company. The options granted under the stock option plan vest immediately, unless otherwise elected by the Board of Directors.

(Expressed in Canadian dollars)

The balance of fully exercisable options outstanding and related information for year ended November 30, 2022 are as follows:

	Options Outstanding	Weighted Average Exercise Price (per share)	Weighted Average Life (Years)
Balance, November 30, 2020	4,460,000	$0.36	3.02
Granted	1,890,000	$0.58	
Exercised	(570,000)	$0.19	
Forfeited	(400,000)	$0.68	
Balance, November 30, 2021	5,380,000	$0.43	3.06
Exercised	(50,000)	$0.40	
Expired	(595,000)	$0.30	
Balance, November 30, 2022	**4,735,000**	**$0.45**	**2.32**

As at November 30, 2022, the Company had the following fully exercisable options outstanding:

Expiry Date	Exercise Price	Options outstanding and exercisable
January 22, 2023(1)	$0.30	10,000
April 6, 2023	$0.26	100,000
April 6, 2023	$0.56	720,000
July 30, 2023	$0.26	150,000
October 23, 2023	$0.26	100,000
October 30, 2023(2)	$0.26	100,000
March 18, 2024	$0.26	245,000
March 18, 2024	$0.60	45,000
November 8, 2024	$0.25	100,000
November 18, 2024	$0.25	100,000
August 5, 2025(3)	$0.32	1,225,000
May 13, 2026	$0.59	1,840,000
		4,735,000

(1) Subsequent to November 30, 2022, all of these options expired unexercised
(2) Subsequent to November 30, 2022, 100,000 of these options were exercised
(3) Subsequent to November 30, 2022, 50,000 of these options were exercised
(4) Subsequent to November 30, 2022, the Company granted 1,075,000 stock options with an exercise price of $0.37 and an expiry date of March 11, 2028.

(Expressed in Canadian dollars)

d) Warrants:

The balance of warrants outstanding and related information for the year ended November 30, 2022 were as follows:

	Warrants Outstanding	Weighted Average Exercise Price (per share)	Weighted Average Life (Years)
Balance, November 30, 2020	14,061,317	$0.36	2.35
Issued	8,650,325	$0.57	
Exercised	(2,917,150)	$0.26	
Balance, November 30, 2021	19,794,492	$0.46	1.89
Issued	9,048,500	$0.67	
Exercised	(653,333)	$0.30	
Expired	(3,367,500)	$0.65	
Balance, November 30, 2022	**24,822,159**	**$0.52**	**1.91**

As at November 30, 2022, the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Warrants outstanding
July 9, 2023[(1)]	$0.26	7,123,334
May 5, 2024	$0.55	6,977,325
May 12, 2024	$0.55	673,000
October 21, 2025	$0.50	2,045,167
November 10, 2025	$0.50	1,003,333
March 3, 2026	$0.75	6,000,000
July 9, 2026	$0.75	1,000,000
		24,822,159

(1) Subsequent to November 30, 2022, 300,000 of these warrants were exercised

8. INCOME TAXES

A reconciliation from the Company's income tax provision computed at statutory rates to the reported income tax provision for the years ended November 30, 2022 and 2021 is as follows:

	2022	2021
	$	$
Loss for the year before income taxes	(2,027,621)	(2,765,714)
Expected income tax recovery	(547,000)	(747,000)
Share issuance costs	(15,000)	(41,000)
Change in foreign tax, foreign exchange rates and other	140,000	25,000
Permanent differences	(4,000)	168,000
Adjustment to prior years provision versus statutory tax returns	85,000	-
Change in unrecognized deductible temporary differences	341,000	595,000
Income tax expense (recovery)	-	-

(Expressed in Canadian dollars)

The significant components of the Company's unrealized deferred income tax assets and liabilities are as follows:

	November 30 2022	**November 30 2021**
	$	**$**
Deferred income tax assets		
Non-capital tax losses carried forward	2,914,000	2,581,000
Exploration and evaluation assets	1,041,000	1,031,000
Share issuance cost	51,000	54,000
Total unrecognized deferred income tax assets	4,006,000	3,666,000

Losses in Canada that reduce future income for tax purposes expire as follows:

	$
2026 - 2030	1,851,000
2031 - 2035	1,236,000
2036 - 2040	3,841,000
2041 - 2042	2,847,000
	9,415,000

At November 30, 2022, the Company also has non-capital losses of approximately US$1,311,000 (2021 – US$1,539,000) that arose in the United States and is carried forward indefinitely. At November 30, 2022, in addition to the tax losses listed above, there are resource related expenditures of approximately $3,976,000 (2021 – $3,026,000) which can be used to offset future Canadian income indefinitely.

9. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing, and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company's key management personnel include all directors, officers and companies associated with them including the following:

- Buena Tierra Development Ltd ("Buena Tierra"), a company owned by Paul Cowley, the President, Chief Executive Officer and a director of the Company.

Compensation paid or payable to key management personnel for services provided during the years ended November 30, 2022 and 2021 was as follows:

	2022	**2021**
	$	**$**
Accounting fees	27,855	22,980
Consulting fees	198,000	376,750
Deferred exploration expenditure - consulting	31,844	8,202
Share-based compensation	-	452,776
	257,699	**860,708**

As at November 30, 2022, accounts payable and accrued liabilities include $170,026 (November 30, 2021 – $215,760) due to officers of the Company and/or companies controlled by officers of the Company. The amounts are non-interest bearing, unsecured and have no specific terms of repayment. A total of $153,010 (November 30, 2021 - $199,010) owing to a related party balance relates to bonus payments earned by an officer and director of the Company. The payment will be deferred until such time as the Company's Board of Directors approves payment.

As at November 30, 2022, amounts receivable include $nil (November 30, 2021 – $2,203) due from a director of the Company.

As at a November 30, 2022, the Company has a commitment to issue 87,500 common shares to an officer and director of the Company. The shares are valued at $50,750 and are included in reserves in shareholders' equity. The common shares were issued subsequent to November 30, 2022.

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. 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 its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements of the TSX-V.

11. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments
The Company's financial instruments consist of cash, accounts payable and accrued liabilities. All financial instruments are designated as amortized cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 – Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

As at November 30, 2022, the Company believes that the carrying values of cash, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

(Expressed in Canadian dollars)

Discussions of risks associated with financial assets and liabilities are detailed below:

Foreign Exchange Risk
As at November 30, 2022, the Company's current assets were held in US and Canadian dollars. A 10% change in the exchange rate would not result in a significant change to the Company's current assets.

Credit Risk
Credit risk arises from cash and cash equivalents held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash, aside from the nominal holdings in USA, is held with a large Canadian bank. Management believes that the credit risk concentration with respect to accrued interest receivable is remote.

Interest Rate Risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited as its interest-bearing financial instrument is redeemable at any time.

Liquidity Risk
The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. The Company is exposed to liquidity risk (Note 1).

Price Risk
Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Company does not hold any financial instruments with price risk.

Commodity Price Risk
The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of gold, silver, vanadium, and copper.

12. SEGMENTED INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief executive officer and the executive management in assessing performance and in determining the allocation of resources. The Company considers the business from a geographic perspective and assesses the performance of the operating segments based on measures such as net property and equipment as well as operational results.

Operating Segment
The Company's operations are limited to a single industry segment, being the acquisition, exploration and development of mineral properties.

Geographic Segments
As at November 30, 2022, the Company's operations and assets are located in Canada and the USA. By geographic areas, the Company's losses for the years ended November 30, 2022 and 2021 are as follows:

	2022	**2021**
	$	**$**
Canada	978,902	2,691,012
USA	1,048,719	74,702
	2,027,621	**2,765,714**

(Expressed in Canadian dollars)

By geographic areas, the Company's non-current assets as at November 30, 2022 and 2021 are as follows:

	2022	**2021**
	$	**$**
Canada	9,000	9,000
USA	18,057,472	14,949,347
	18,066,472	**14,958,347**

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Non-cash investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. During the years ended November 30, 2022 and 2021, non-cash financing and investing activities included:

- $1,803,385 (November 30, 2021 - $1,842,639) was allocated from share capital to reserves to record the relative fair value of the warrants issued in private placements;
- $55,860 (November 30, 2021 - $246,897) was reclassified from reserves to share capital on the exercise of warrants;
- $19,945 (November 30, 2021 - $73,331) was reclassified from reserves to share capital on the exercise of options;
- $180,930 (November 30, 2021 - $1,002,098) in accounts payable and accrued liabilities related to exploration and evaluation assets;
- $nil (November 30, 2021 - $52,866) in finders' warrants was recorded as share issuance costs;
- $nil (November 30, 2021 - $178,000) in common shares were issued for the acquisition of exploration and evaluation assets;
- $nil (November 30, 2021 - $680,843) in warrants were issued for the acquisition of exploration and evaluation assets; and
- $nil (November 30, 2021 - $50,750) in common shares to be issued to a director of the Company for reaching certain bonus benchmark criteria during the year.

14. COMMITMENTS

The following table summarizes the contractual maturities of the Company's significant financial liabilities and capital commitments, including contractual obligations for the years ended November 30 indicated:

	2023	**2024**	**2025**	**2026**	**2027**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Accounts payable and accrued liabilities	520,181	-	-	-	-	**520,181**
Consulting agreement obligations (1)	180,000	180,000	180,000	180,000	180,000	**900,000**
Exploration obligations (2)	303,930	641,630	1,114,410	33,770	33,770	**2,127,510**
	1,004,111	821,630	1,294,410	213,770	213,770	**3,547,691**

(1) The consulting obligation shall be payable to the CEO if the Company elects to continue with the contract on an ongoing basis. The contract has a 60 day termination clause with a total commitment of $30,000.

(2) Exploration obligations include all option payments, mineral access, mineral lease, and exploration expenditure obligations for the Company's mineral properties.