Condensed Consolidated Interim Financial Statements of

SILVER SPRUCE RESOURCES INC.

For the three and six months ended April 30, 2023 and 2022

(Unaudited)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Silver Spruce Resources Inc. (the "Company") for the three and six months ended April 30, 2023 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited condensed interim financial statements have not been reviewed by an auditor.

"Mike Kinley"

Chief Executive Officer

Bedford, Nova Scotia
June 28, 2023

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SILVER SPRUCE RESOURCES INC.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars - Unaudited)

	As at April 30, 2023	As at October 31, 2022
	$	$
Assets		
Current		
Cash	**778,635**	221,929
Receivables (Note 6)	**72,724**	121,425
Prepaid expenses	**1,996**	20,896
Total current assets	**853,355**	364,250
Non-current		
Right-of-use assets (Note 8)	**11,291**	20,970
Total assets	**864,646**	385,220
Liabilities		
Current		
Trade payables and accrued liabilities (Note 12)	**296,427**	298,545
Property acquisition obligation (Note 7(a))	**33,945**	34,123
Current portion of lease liability (Note 8)	**11,983**	20,247
Total current liabilities	**342,355**	352,915
Non-current		
Lease liability (Note 8)	**-**	1,733
Total liabilities	**342,355**	354,648
Shareholders' Equity		
Share capital (Note 9)	**34,091,950**	33,531,539
Warrant reserve (Note 10)	**1,989,587**	1,693,517
Equity reserve	**9,499,779**	9,286,582
Accumulated deficit	**(45,059,025)**	(44,481,066)
Total shareholders' equity	**522,291**	30,572
Total liabilities and shareholders' equity	**864,646**	385,220

Basis of preparation and going concern (Note 2)
Commitments and contingencies (Notes 7 and 14)
Subsequent events (Note 15)

APPROVED BY THE BOARD OF DIRECTORS

Original signed by Kevin O'Connor, Director

Original signed by Mike Kinley, CEO, Director

See accompanying notes to the condensed consolidated interim financial statements

SILVER SPRUCE RESOURCES INC.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars - Unaudited)

	For the three months ended April 30, 2023	For the three months ended April 30, 2022	**For the six months ended April 30, 2023**	For the six months ended April 30, 2022
	$	$	**$**	$
Expenses				
Exploration and evaluation expenditures (Note 7)	**82,101**	73,615	**145,436**	468,303
Stock based compensation (Note 12)	**1,511**	16,884	**3,919**	35,486
Office and general	**8,547**	11,615	**13,122**	19,868
Accounting and audit	**16,595**	8,088	**24,206**	22,310
Legal	**2,489**	1,166	**6,652**	5,346
Consulting fees (Note 12)	**200,906**	61,875	**277,706**	118,332
Corporate relations	**2,674**	31,255	**11,348**	70,796
Interest on lease liability (Note 8)	**192**	436	**446**	932
Listing and filing fees	**34,378**	30,964	**40,520**	39,754
Depreciation - Right-of use asset (Note 8)	**4,840**	4,840	**9,679**	9,679
Total expenses	**354,233**	240,738	**533,034**	790,806
Other items				
Bad Debt	**4,728**	3,997	**30,460**	5,576
Foreign exchange (gain) loss	**7,354**	(1,493)	**14,465**	(682)
Total other items	**12,082**	2,504	**44,925**	4,894
Total loss and comprehensive loss for the period	**366,315**	243,242	**577,959**	795,700
Loss per share - basic and diluted	**0.00**	0.00	**0.00**	0.00
Weighted average number of shares outstanding - basic and diluted	**229,977,657**	189,119,500	**215,756,273**	188,953,754

See accompanying notes to the condensed consolidated interim financial statements

SILVER SPRUCE RESOURCES INC.
Condensed Consolidated Interim Statements of Change in Shareholders' Equity
(Expressed in Canadian Dollars - Unaudited)

	Number of shares	Share capital $	Warrant reserve $	Equity reserve $	Accumulated deficit $	Total equity $
Balance October 31, 2021	**187,119,500**	**33,270,859**	**1,825,816**	**9,001,260**	**(42,937,038)**	**1,160,897**
Net loss for the period	-	-	-	-	(577,959)	(577,959)
Shares issued for property acquisition (Note 7(d) and (f))	2,000,000	100,000	-	-	-	100,000
Stock based compensation (Note 11)	-	-	-	35,486	-	35,486
Warrants expired (Note 10)	-	-	(96,767)	96,767	-	-
Balance April 30, 2022	**189,119,500**	**33,370,859**	**1,729,049**	**9,133,513**	**(43,514,997)**	**718,424**
Net loss for the period	-	-	-	-	(966,069)	(966,069)
Private placement units issued (Note 9)	10,570,000	264,250	-	-	-	264,250
Share issuance costs (Note 9)	-	(9,939)	(7,486)	-	-	(17,425)
Value of warrants issued under private placement (Note 10)	-	(113,631)	113,631	-	-	-
Shares issued for property acquisition (Note 7(d) and (f))	1,070,000	20,000	-	-	-	20,000
Stock based compensation (Note 11)	-	-	-	11,392	-	11,392
Warrants expired (Note 10)	-	-	(141,677)	141,677	-	-
Balance October 31, 2022	**200,759,500**	**33,531,539**	**1,693,517**	**9,286,582**	**(44,481,066)**	**30,572**
Net loss for the period	-	-	-	-	(577,959)	(577,959)
Private placement units issued (Note 9)	75,700,499	1,135,507	-	-	-	1,135,507
Share issuance costs (Note 9)	-	(51,080)	(48,668)	-	-	(99,748)
Value of warrants issued under private placement (Note 10)	-	(554,016)	554,016	-	-	-
Shares issued for property acquisition (Note 7(a))	2,000,000	30,000	-	-	-	30,000
Stock based compensation (Note 11)	-	-	-	3,919	-	3,919
Warrants expired (Note 10)	-	-	(209,278)	209,278	-	-
Balance April 30, 2023	**278,459,999**	**34,091,950**	**1,989,587**	**9,499,779**	**(45,059,025)**	**522,291**

See accompanying notes to the condensed consolidated interim financial statements

SILVER SPRUCE RESOURCES INC.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars - Unaudited)

	For the six months ended April 30, 2023	For the six months ended April 30, 2022
	$	$
Operating activities		
Net loss for the period	**(577,959)**	(795,700)
Items not involving cash:		
(Gain) loss on foreign exchange	**(178)**	1,020
Depreciation - Right-of-use asset (Note 8)	**9,679**	9,679
Interest on lease liability (Note 8)	**-**	932
Shares issued for settlement of property purchase obligation (Note 7(d)&(f))	**30,000**	100,000
Stock based compensation (Note 11)	**3,919**	35,486
Changes in non-cash working capital		
Decrease in receivables	**48,701**	88,304
Decrease in prepaid expenses	**18,900**	30,855
Decrease in trade payables and accrued liabilities	**(2,118)**	(167,918)
Net cash flows used in operating activities	**(469,056)**	(697,342)
Financing activities		
Proceeds from issuance of units (Note 9)	**1,135,507**	-
Share issue costs	**(99,748)**	-
Interest on lease liability (Note 8)	**446**	-
Repayment of lease liability (Note 8)	**(10,443)**	(10,443)
Net cash flows from (used in) financing activities	**1,025,762**	(10,443)
Increase (decrease) in cash	**556,706**	(707,785)
Cash, beginning of period	**221,929**	1,178,421
Cash, end of period	**778,635**	470,636

Supplemental cash flow information (Note 13)

See accompanying notes to the condensed consolidated interim financial statements

1. DESCRIPTION OF BUSINESS

Silver Spruce Resources Inc. (the "Company") is a public company domiciled in Canada and was incorporated in Alberta on May 8, 1996 under the name First Labrador Acquisitions Inc. The Company changed its name to Silver Spruce Resources Inc. on October 22, 2004. The Company's operations consist of the exploration for precious and base minerals. The registered office of the Company is Suite 440, 1600 Bedford Highway, Bedford, Nova Scotia, B4A 1E8. The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "SSE", the OTCQB under the symbol "SSEBF and the Frankfurt Stock Exchange under the symbol "S6Q".

2. BASIS OF PREPARATION AND GOING CONCERN

Statement of compliance

The condensed consolidated interim financial statements of the Company are unaudited and have been prepared in accordance with IAS 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee. In preparing the interim financial statements, the same accounting principles and methods of computation have been applied as in the annual financial statements for the year ended October 31, 2022. In the opinion of management, all adjustments necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods have been made. The condensed interim consolidated financial statements of the Corporation were approved by the Board of Directors on June 28, 2023.

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

Basis of measurement

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

Basis of presentation and going concern

The condensed consolidated interim financial statements of the Company have been prepared in accordance with IFRS on a going concern basis which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company is an exploration stage company and does not have any proven economically recoverable reserves on the Company's interest in mineral properties held for exploration and to date, the Company has not earned revenues from mining activities and does not have a firm timeline until such revenues can be reasonably expected to be realized. The Company's interests in exploration properties are subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company's continued existence is dependent upon the discovery of economically recoverable reserves, the ability of the Company to raise additional financing, and future profitable production. It is not possible to predict whether financing efforts will be successful.

2. BASIS OF PREPARATION AND GOING CONCERN (continued)

Basis of presentation and going concern (continued)

Although the Company has taken steps to verify title to mineral exploration properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers, First Nations claims, non-compliance with regulatory, social and environmental requirements and may be affected by undetected defects.

While the condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, several adverse conditions, cast significant doubt on the validity of this assumption. The Company has incurred a net loss of $577,959 during the six months ended April 30, 2023, has an accumulated deficit of $45,059,025 and has no source of revenue. The Company has working capital of $510,999 as at April 30, 2023. Although the Company has been successful in raising funds in the past and during the year, there is no assurance that it will be able to successfully complete further financing. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed consolidated interim financial statements. Such adjustments could be material.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements are prepared in accordance with IFRS and follow the same accounting policies and methods of their application as the most recent audited financial statements for the year ended October 31, 2022. These financial statements should be read in conjunction with those consolidated financial statements.

4. CAPITAL MANAGEMENT

The capital structure of the Company currently consists of share capital, warrant reserve, equity reserve and accumulated deficit. As at April 30, 2023, managed capital was $522,291 (October 31, 2022 – surplus $30,572). The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition, exploration and development of mineral properties. The Company manages its capital structure in a manner that provides sufficient funding for operational activities.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurances that the Company will be able to continue raising equity capital in this manner.

4. CAPITAL MANAGEMENT (continued)

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash, held with major Canadian financial institutions. The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital management objectives, policies and processes have remained unchanged during the quarter ended April 30, 2023 and the year ended October 31, 2022.

5. FINANCIAL RISK FACTORS

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

a) Credit risk

The Company's credit risk is primarily attributable to cash and other receivables. The Company's cash is held with highly rated financial institutions.

The Company has concluded that credit risk with regards to other receivables, except Mexican VAT receivable on which the Company has recorded an allowance, is minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in Note 4. The Company has no income from operations or a regular source of cash flow and relies on equity funding to support its exploration and corporate activities. Should the need for equity funding arise, there is a risk that the Company may not be successful in selling new common shares at acceptable prices.

As at April 30, 2023, the Company had a cash balance of $778,635 (October 31, 2022 - $221,929), receivables of $72,724 (October 31, 2022 - $121,425) to settle current liabilities of $342.356 (October 31, 2022 - $352,915). Of the Company's current financial liabilities, $330,373 (October 31, 2022 - $298,545) have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Market risk

Interest rate risk

The Company has no loan payable, therefore, the Company is not subject to interest rate risk. The Company invests any cash surplus to its operational needs in investment-grade short- term deposit certificates issued by highly rated Canadian banks. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank.

5. FINANCIAL RISK FACTORS (continued)

c) Market risk (continued)

Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. However, the Company has operations outside of Canada, and therefore could be at risk for currency translations. The Company's property acquisition obligation (Note 7) is denominated in United States Dollars ("US$") and is subject to fluctuations in that currency's value relative to the Canadian dollar. The value of the obligation at April 30, 2023 is $33,945 (US$25,000), therefore a 10% rise or fall in the Canadian dollar against the US dollar would have resulted in a decrease (increase) of $3,395 in the net loss.

There were no significant changes to credit risk and market risk during the quarter ended April 30, 2023.

d) Fair value

The carrying amounts for cash, receivables, trade payable and accrued liabilities, and property acquisition obligation on the statements of financial position approximate fair value due to their short-term maturity.

6. RECEIVABLES

Receivables comprise of:

	April 30, 2023	October 31, 2022
	$	$
Other receivables	**9,469**	98,667
HST Receivable	**63,255**	22,758
Mexican VAT receivable	**110,692**	80,231
	183,416	201,656
Less: Allowance for Mexican VAT receivable	**(110,692)**	(80,231)
	72,724	121,425

The Mexican Government does not reimburse the VAT paid on expenses incurred. This tax receivable will be applied against future VAT payable if the Company earns revenue from mining activities in Mexico. The Company has therefore recorded an allowance against this VAT receivable, which will be reversed in the future if the Company earns taxable revenue in Mexico.

(Expressed in Canadian dollars - Unaudited)

7. MINERAL EXPLORATION PROPERTIES

The table below outlines project exploration expenditures for the periods ended April 30, 2023 and 2022.

	2023	2022
	$	$
Pino de Plata	**833**	8,383
Melchett Lake	**79,799**	140,971
Jackie	**-**	79,630
El Mezquite	**-**	31,090
Diamante	**-**	27,814
Mystery, Marilyn & Till	**64,804**	180,290
Other	**-**	125
Total	**145,436**	468,303

The table below outlines the accumulated project exploration expenditures as at April 30, 2023.

Accumulated costs/expenditures	Pino de Plata Mexico	El Mezquite Mexico	Jackie Mexico	Diamante Mexico	Mystery, Marilyn and Till Newfoundland and Labrador	Melchett Lake Ontario	Total
Balance, October 31, 2021	$ 771,445	$ 730,018	$ 191,055	$ 141,926	$ 160,307	$ 558,630	$ 2,553,381
Exploration and evaluation expenditures	13,141	32,197	94,662	412,533	275,807	199,729	1,028,069
Balance, October 31, 2022	784,586	762,215	285,717	554,459	436,114	758,359	3,581,450
Exploration and evaluation expenditures	833	-	-	-	64,804	79,799	145,436
Balance, April 30, 2023	$ 785,419	$ 762,215	$ 285,717	$ 554,459	$ 500,918	$ 838,158	$ 3,726,886

a) Pino de Plata, Mexico

On February 29, 2016, the Company signed an amended Agreement that supersedes the original purchase Agreement and enables the Company to purchase a 100% interest in the Pino de Plata property. The revised financial terms are as follows:

- Total cash payments reduced from US$1,000,000 to US$500,000 over two years (US$125,000 ($168,459) paid);

- One share issuance of 2,500,000 common shares, issued on June 15, 2016 and valued at $0.07 per common share based on the quoted market value of the common shares on that date. One payment of $250,000 to be paid in common shares in lieu of cash, at a share price equal to the 20-day average closing price of the Company's shares on the TSXV, subject to exchange approvals;

- A three percent (3%) gross production royalty capped at US$4,000,000, which can be purchased for US$1,333,333 per percentage point at any time and are reduced by the total amount of advanced royalty payments; and

7. MINERAL EXPLORATION PROPERTIES (continued)

a) Pino de Plata, Mexico (continued)

- The Company is subject to advanced Royalty payments of US$10,000 per month to commence 30 days after the acquisition is finalized, registered and documented with the proper authorities.

As a result of a delay in being able to access the property, an addendum to the purchase Agreement was made in November 2016 to suspend the terms of the Agreement until access is gained to the property. Access was granted again in June 2018 but has been revoked in June 2019 and according to the terms of the Agreement remains under force majeure. The ongoing interest in the property is subject to satisfactory resolution of the access restriction. In June 2020, the Company engaged Mexican legal counsel to engage in discussions with landowner representatives. Negotiations for a land access Agreement continue as of the current date.

On November 7, 2019, the Option Agreement with the concession title owner was fully processed by the Registro Publico de Mineria (Public Mining Registry).

The Company's minimum commitment as at April 30, 2023 has been recorded as property acquisition obligation on the statement of financial position in the amount of $33,945 (US$25,000) (October 31, 2022 - $34,123 (US$25,000)). The Company has no required minimum work expenditures in the contract during the period and is up to date with the cash and share amounts payable to the vendors with the remaining deferred payments subject to the terms of the force majeure clause in the Agreement. The Company remains current on payment of the requisite property taxes on Pino de Plata.

b) Melchett Lake, Ontario

In September 2019, the Company signed a binding letter of intent with three parties to acquire 100% of the Melchett Lake zinc-gold-silver volcanogenic massive sulphide (VMS) project, an advanced precious and base metal project in the Thunder Bay mining district, Northern Ontario, Canada.

After completing due diligence, the Company entered into a purchase Agreement on November 20, 2019 to acquire 100% of the property. As consideration, the Company will pay the vendors $150,000 in cash and 5,000,000 common shares of the Company, spread over three years. As of April 30, 2023, the Company has paid $100,000 to the vendors and has issued 500,000 common shares valued at $0.04 per share, 1,000,000 common shares valued at $0.06 per share, 1,500,000 common shares valued at $0.05 per share and 2,000,000 common shares valued at $0.015 per share to the vendors.

Given the logistical constraints due to the COVID-19 pandemic, the purchase Agreement was amended on November 20, 2020, to modify the exploration expenditures for the first two years of the Agreement as follows: Minimum work expenditures total $1,000,000, with $50,000 by the first anniversary, an additional $250,000 by the second anniversary and $700,000 prior to the third anniversary. The vendors will retain a 2% net smelter return royalty, of which 1% can be purchased by the Company for $1,000,000 and the remaining 1% at market price.

7. MINERAL EXPLORATION PROPERTIES (continued)

a) Melchett Lake, Ontario (continued)

The Agreement was amended again as of October 31, 2022 to defer the November 2022 cash payment of $50,000 and work expenditure requirements (totalling $1,000,000) to November 20, 2023 and add an additional payment of $50,000 (to a total of $100,000) and issuance of 2,000,000 additional shares in November 2023. All payments are up to date in terms of cash and shares paid as of the 3rd anniversary on November 20, 2022.

The Agreement was amended again on February 27, 2023 to include the original 88 Mineral Claims, now 30 Mineral Claims, after amalgamations of four groups of the original Mineral Claims, with addition of 104 Mineral Claims staked by the Company from 2019 to 2021, in addition to the newly added claims stemming from the staking of 237 Mineral Claims by the Vendor and 35 Mineral Claims staked by the Company within the Area of Interest as part of the Property, which the Parties agree are now included in the definition of Property containing 440 Mineral Claims.

c) El Mezquite, Mexico

On June 9, 2020, the Company signed a binding Option Agreement with Colibri Resource Corp. to acquire 50% interest in its wholly owned Mexican subsidiary Yaque Minerals S.A. de C.V. which holds the El Mesquite Gold project.

The option to acquire 50% interest was terminated in September 2022 with no further attributable costs to the Company. The Property returned to Colibri Resource Corp. prior to the scheduled payment of US$100,000 on or before September 30, 2022 and the $500,000 for 50% of its debenture due in October 2023, and any annual interest or property tax payments due to Colibri Resource Corp.

d) Jackie, Mexico

On November 17, 2020, the Company signed a Definitive Agreement with Colibri Resource Corp. to acquire 50% interest in the Jackie Gold Project in Sonora, Mexico.

As consideration, on December 14, 2020, the Company issued 500,000 common shares at a price of $0.05 per share to Colibri and on January 5, 2021, paid US$25,000. The Company issued another 500,000 common shares at a price of $0.05 per share on November 24, 2021 and paid another US$25,000 on November 21, 2021. All required cash and share payments are paid in full.

There was a minimum work expenditure total of US$100,000 over two years, with a minimum of US$50,000 within 12 months of the TSX approval. During this period, the Company was responsible for 100% payment of the surface rights Agreements when exploration is active and 50% of the property taxes.

The Company has met the work expenditure target during fiscal 2022 and has earned its 50% interest in Jackie. The Company is responsible for its pro rata portion of the biannual semester tax payments.

7. MINERAL EXPLORATION PROPERTIES (continued)

e) Diamante, Mexico

On April 27, 2021, the Company signed a Definitive Agreement with Colibri Resource Corp. and its wholly owned Mexican subsidiary (Yaque) to acquire 50% interest in the Diamante 1 and Diamante 2 Au-Ag concessions in Sonora Mexico.

As consideration, to earn its initial 25% interest in the Diamante (the Property), on May 8, 2021, the Company paid an initial cash amount of US$75,000, directed to Minera Bimsa SA de CV's (the Vendor) US$100,000 initial property payment whereupon the Company and Yaque each will hold a 25% interest in the Property and manage the Property as equal partners ("Partners").

The Company was designated operator of the Property during the earn-in period with the Vendor. The Partners directed the exploration program via a four-person board representing each of the partners.

To earn its initial 50% of the Diamante project, Silver Spruce and Yaque also agreed to design, permit and drill a minimum of 2,000 metres on the Property within 24 months from the Execution Date of Yaque's final Agreement with the Vendor; including any requisite exploration leading to the drill program, submit a final drilling report to meet NI 43-101 reporting guidelines and pay approved exploration costs at a ratio of Silver Spruce (75%) and Yaque (25%).

The Partners will pay to the Vendor 50% of the bi-annual property taxes and surface rights payments.

In January 2023, the Company filed its technical report with the Vendor, earned a 25% interest in Diamante 1 and 2 with Colibri Resource Corp. via Yaque Minerales and has an option remaining to increase Silver Spruce ownership to 50%.

Upon completion of the initial earn-in, Silver Spruce and Yaque became equal joint venture partners with the Vendor in Minera BIMCOL, SA de CV ("BIMCOL"), a private Mexico company holding the concessions, pay to the Vendor 50% of the bi-annual property taxes and surface rights payments and pay approved prorata exploration costs at a ratio of Silver Spruce (50%) and Yaque (50%).

f) Mystery, Marilyn and Till Properties, Newfoundland and Labrador

In August 2021, the Company signed a binding letter of intent with two parties to acquire 100% of the three early-stage gold exploration properties, Mystery, Till and Marilyn (the Property) located near Grand Falls, Newfoundland, Canada.

After completing due diligence, the Company entered into an option and purchase Agreement on September 7, 2021 to acquire 100% of the properties. As consideration, the Company will pay the vendors $615,000 in cash and 10,000,000 common shares of the Company, spread over five years. The Company also has to pay a finders fee of 7% of the total amount of cash paid, and issue 7% of the common shares issued to the vendors in parallel with the payment schedule for the vendors.

(Expressed in Canadian dollars - Unaudited)

7. MINERAL EXPLORATION PROPERTIES (continued)

f) Mystery, Marilyn and Till Properties, Newfoundland and Labrador (continued)

Minimum work expenditures total $1,500,000 over the five-year term of the Agreement by September 7, 2026, with $150,000 during the first year, $200,000 during the second year, $250,000 during the third year, $300,000 during the fourth year and $600,000 during the fifth year. The vendors will retain a 2% net smelter return royalty, of which 1% can be purchased by the Company for $2,000,000 and the remaining 1% at market price.

In February 2023, the Company acquired by staking, carried out by the Vendor, an additional 6,040 hectares of claims contiguous to the Marilyn and Till properties. The properties cover a total of 242 claims in three property blocks. The properties now cover a total of 14,790 hectares.

As at April 30, 2023, the Company has paid the vendors $90,000 cash and issued 1,000,000 common shares valued at $0.04 per shares and 1,000,000 common shares valued at $0.02 per share to the vendors. The Company also issued 70,000 common shares valued $0.04 per shares and 70,000 common shares valued at $0.025 per share and paid $2,800 as finders fees.

The current Property expenditures fully cover the first two years of the payments (to the 2nd anniversary September 23) required ($350,000) for exploration in the Agreement. The Agreement was amended to accept the cash portion ($50,000) of the 1st anniversary September 2022 payment upon pending return of the security deposits, placed on the Properties in 2021, to allow the Company adequate time to carry out the permitted exploration programs. That payment of the security deposit was received in January 2023 and has been paid to the Vendor to fulfill current period obligations.

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The right-of-use asset and lease liability recognized by the Company relates to a three-year lease for office space entered into by the Company on December 1, 2020.

Right-of-use asset	**April 30, 2023 $**	October 31, 2022 $
Balance, beginning of periods	**20,970**	40,328
Depreciation for the periods	**(9,679)**	(19,358)
Balance, end of periods	**11,291**	20,970
Lease Liability		
Balance, beginning of periods	**21,980**	41,241
Lease payments	**(10,443)**	(20,886)
Interest expense on lease liability	**446**	1,625
Balance, end of periods	**11,983**	21,980
Current	**11,983**	20,247
1 to 2 years	**-**	1,733

(Expressed in Canadian dollars - Unaudited)

9. SHARE CAPITAL

The share capital is as follows:

Authorized:
An unlimited number of non-voting preference shares
An unlimited number of common shares, no par value

a) On September 16, 2022, the Company closed a non-brokered private placement raising gross proceeds of $264,250. The Offering consisted of the issuance of 10,570,000 units ("Unit") of the Company. Each Unit was offered at a price of $0.025 and consisted of one common share and one share purchase warrant, with each warrant exercisable at a price of $0.05 per common share if exercised within 36 months of the closing of the offering. The private placement closed in two tranches with 4,690,000 units closing July 27, 2022 and 5,880,000 units closing September 16, 2022. Officers and directors of the Company subscribed for 2,200,000 Units for gross proceeds of $55,000. Of the gross proceeds of $264,250, a total of $113,631 was assigned to the warrants and $150,619 was allocated to share capital. The warrants were estimated using the Black Scholes option pricing model (Note 10). As part of the private placement, the Company paid finders' fees of $17,425, of which $9,939 was assigned to share capital and $7,486 was assigned to the warrants (See Notes 10(a) and 10(b)).
b) On March 29, 2023, the Company closed a non-brokered private placement raising gross proceeds of $1,135,507. The Offering consisted of the issuance of 75,700,499 units ("Unit") of the Company. Each Unit was offered at a price of $0.015 and consisted of one common share and one share purchase warrant, with each warrant exercisable at a price of $0.05 per common share if exercised within 60 months of the closing of the offering. Of the gross proceeds of $1,135,507, a total of $554,016 was assigned to the warrants and $581,491 was allocated to share capital. The warrants were estimated using the Black Scholes option pricing model (Note 10). As part of the private placement, the Company paid share issuance costs of $99,748, of which $51,080 was assigned to share capital and $48,668 was assigned to the warrants (See Note 10(c)).

10. WARRANTS

The following is a summary of warrants activity for the periods ended April 30, 2023 and October 31, 2022:

	April 30, 2023		October 31, 2022	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Balance, beginning of periods	**83,871,667**	**0.08**	91,250,508	0.08
Granted in connection with private placements	**75,700,499**	**0.05**	10,570,000	0.05
Expired during the periods	**(6,876,667)**	**0.075**	(17,948,841)	0.06
Balance, end of periods	**152,695,499**	**0.07**	83,871,667	0.08

(Expressed in Canadian dollars - Unaudited)

10. WARRANTS (continued)

a) In connection with tranche 2 of the September 16, 2022 private placement disclosed in Note 9(a), the Company issued 5,880,000 warrants. The grant date fair value of $63,000 assigned to the warrants was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of 160%, a risk free interest rate of 3.83%, and an expected life of 3 years. Finders' fee of $5,014 was also assigned to the warrants.
b) In connection with tranche 1 of the September 16 , 2022 private placement disclosed in Note 9(a), the Company issued 4,690,000 warrants. The grant date fair value of $50,631 assigned to the warrants was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of 156%, a risk free interest rate of 3.64%, and an expected life of 3 years. Finders' fee of $2,472 was also assigned to the warrants.
c) In connection with the March 29, 2023 private placement disclosed in Note 9(b), the Company issued 75,700,499 warrants. The grant date fair value of $554,016 assigned to the warrants was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of 187%, a risk free interest rate of 3.10%, and an expected life of 5 years. Issuance costs of $48,668 was also assigned to the warrants.

Summary of warrants outstanding and exercisable as at April 30, 2023:

Warrants	Exercise price	Grant date fair value of warrants	Expiry date
#	$	$	
5,754,000	0.06	142,031	May 7, 2023
36,555,000	0.10	760,985	August 18, 2023
24,116,000	0.075	475,078	September 29, 2024
4,690,000	0.05	48,159	July 28, 2025
5,880,000	0.05	57,986	September 16, 2025
75,700,499	0.05	505,348	May 28, 2028
152,695,499		1,989,587	

11. SHARE BASED PAYMENTS

The Board of Directors of the Company has adopted a stock option plan for the Company. Pursuant to the plan, the Board of Directors of the Company may allocate common shares to its directors, officers and certain consultants. The aggregate number of stock options to be granted under the plan should not exceed 20% of the issued and outstanding capital of the Company and the aggregate number of shares reserved for issuance to any one person shall not exceed 5% of the issued and outstanding common shares. The options are non-transferable and non-assignable and may be granted for a term not exceeding five years. The exercise price of the options is fixed by the Board of Directors of the Company at the time of grant, subject to all applicable regulatory requirements. The vesting period for options is set by the Company at the time the options are granted. The shareholders of the Company are covered by a Shareholder Rights Plan Agreement between the Company and CIBC Mellon Trust Company.

(Expressed in Canadian dollars - Unaudited)

11. SHARE BASED PAYMENTS (continued)

Share based payment activity for the periods ended April 30, 2023 and October 31, 2022 is summarized as follows:

	April 30, 2023		October 31, 2022	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Balance, beginning of periods	**6,416,667**	**0.05**	7,916,667	0.05
Expired during the periods	**-**	**-**	(1,500,000)	0.05
Balance, end of periods	**6,416,667**	**0.05**	6,416,667	0.05

At April 30, 2023, outstanding options to acquire common shares of the Company were as follows:

Exercise price	Number of outstanding options	Expiry date	Weighted average remaining contractual life of outstanding options (years)	Grant date weighted average fair value per option	Number of exercisable options
$				$	
0.05	5,116,667	June 16, 2025	2.13	0.038	5,116,667
0.05	300,000	August 26, 2025	2.33	0.063	300,000
0.06	250,000	March 23, 2026	2.90	0.057	250,000
0.05	750,000	April 1, 2026	2.92	0.057	750,000
	6,416,667				6,416,667

The amount of stock-based compensation expense of $3,919 (2022 - $35,486) was charged to the income statement and credited to the equity reserve in the statement of financial position.

No options were issued during the periods ended April 30, 2023 and 2022 and as a result, the expenditure incurred related to the vesting period of options issued in prior years.

12. RELATED PARTY TRANSACTIONS

Included in trade payable and accrued liabilities as at April 30, 2023 is $75,325 (October 31, 2022 - $35,075) owing to directors and companies controlled by directors of the Company for consulting related services rendered. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

During the period ended April 30, 2023, key management personnel compensation consisted of services provided by directors or companies owned by directors or officers of $94,250 (2022 - $116,250), which are classified as $72,000 (2022 - $61,750) for consulting fees, and $22,250 (2022 - $54,500) as exploration and evaluation expenditures on the condensed consolidated interim statement of operations.

See also Note 9 (a) and (b).

(Expressed in Canadian dollars - Unaudited)

13. SUPPLEMENTAL CASH FLOW INFORMATION

	For the six months ended April 30, 2023	For the six months ended April 30, 2022
	$	$
Non-cash investing and financing activities:		
Expiry of warrants	**209,278**	96,767

14. COMMITMENTS AND CONTINGENCIES

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

See Note 7 for other property commitments.

15. SUBSEQUENT EVENTS

i. On May 7, 2023, 5,754,000 Company warrants expired.
ii. On June 15, 2023, the Company announced its intention to complete a private placement comprising flow-through units of up to $1,000,000. The private placement consists of the issuance of up to 40,000,000 units at a price of $0.025 per unit for gross proceeds of up to $1,000,000. Each unit will consist of one flow-through common share and a warrant to purchase an additional common share at an exercise price of $0.05 per share for a period of 24 months.