

MILLENNIUM SILVER CORP.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in Canadian Dollars)

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated financial statements of Millennium Silver Corp. for the three and nine months ended September 30, 2023, have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

Millennium Silver Corp.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	September 30, 2023 \$ (unaudited)	December 31, 2022 \$
Assets		
Current assets		
Cash	1,419	3,431
Amounts receivable	1,076	1,524
Prepaid expenses	125	125
Total current assets	2,620	5,080
Non-current assets		
Exploration and evaluation assets (Note 5)	6,673,959	6,643,945
Total assets	6,676,579	6,649,025
Current liabilities		
Accounts payable and accrued liabilities	110,177	77,806
Loans payable (Note 6)	211,389	160,323
Due to related parties (Note 8)	129,281	100,262
Total current liabilities	450,847	338,391
Shareholders' equity		
Share capital (Note 7)	20,476,468	20,476,468
Equity reserves	1,356,904	1,336,404
Accumulated other comprehensive income	1,434,387	1,459,471
Deficit	(17,042,027)	(16,961,709)
Total shareholders' equity	6,225,732	6,310,634
Total liabilities and shareholders' equity	6,676,579	6,649,025

Nature of operations (Note 1)
Subsequent event (Note 12)

Approved and authorized for issuance on behalf of the Board of Directors on November 27, 2023:

/s/ Robert Drago
Director

/s/ Sebastien Vermeire
Director

(The accompanying notes are an integral part of these condensed consolidated financial statements)

Millennium Silver Corp.
CONDENSED CONSOLIDATED STATEMENTS ON OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2023 \$	2022 \$	2023 \$	2022 \$
Expenses				
Accounting and legal	4,750	4,750	30,250	35,537
Administration fees (Note 8)	1,987	6,096	9,711	18,423
Consulting fees (Note 8)	–	–	–	60
Directors' fees (Note 8)	6,500	4,875	15,500	14,625
Foreign exchange loss	2,534	(3,597)	1,496	(4,732)
Office and miscellaneous	678	2,715	3,902	7,823
Rent	–	3,000	3,000	9,000
Transfer agent and filing fees	747	2,602	12,716	11,535
Total expenses	17,196	20,441	76,575	92,271
Loss before other expense	(17,196)	(20,441)	(76,575)	(92,271)
Other expense				
Accretion of discount on convertible debentures	–	–	–	(604)
Interest expense	(2,785)	–	(3,743)	(1,309)
Total other expense	(2,785)	–	(3,743)	(1,913)
Net loss for the period	(19,981)	(20,441)	(80,318)	(94,184)
Other comprehensive income (loss)				
Foreign currency translation gain (loss)	77,631	399,133	(75,721)	501,324
Comprehensive income (loss) for the period	57,650	378,692	(156,039)	407,140
Loss per share, basic and diluted	–	–	–	–
Weighted average number of shares outstanding, basic and diluted	221,505,226	221,505,226	221,505,226	221,481,416

(The accompanying notes are an integral part of these condensed consolidated financial statements)

Millennium Silver Corp.
CONDENSED CONSOLIDATED STATEMENTS ON CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(unaudited)

	Share Capital		Equity reserves \$	Accumulated other comprehensive income \$	Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$				
Balance, December 31, 2022	221,505,226	20,476,468	1,336,404	1,459,471	(16,961,709)	6,310,634
Share subscriptions received	–	–	20,500	–	–	20,500
Foreign currency translation adjustment	–	–	–	(25,084)	–	(25,084)
Net loss for the period	–	–	–	–	(80,318)	(80,318)
Balance, September 30, 2023	221,505,226	20,476,468	1,356,904	1,434,387	(17,042,027)	6,225,732
Balance, December 31, 2021	221,005,226	20,468,968	1,336,404	1,035,039	(16,766,417)	6,073,994
Shares issued for exploration and evaluation	500,000	7,500	–	–	–	7,500
Foreign currency translation adjustment	–	–	–	501,324	–	501,324
Net loss for the period	–	–	–	–	(94,184)	(94,184)
Balance, September 30, 2022	221,505,226	20,476,468	1,336,404	1,536,363	(16,860,601)	6,488,634

(The accompanying notes are an integral part of these condensed consolidated financial statements)

Millennium Silver Corp.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(unaudited)

	For the nine months ended	
	September 30,	September 30,
	2023	2022
	\$	\$
Operating activities		
Net loss for the period	(80,318)	(94,184)
Items not affecting cash:		
Accretion expense	–	604
Changes in non-cash working capital items:		
Amounts receivable	448	1,101
Prepaid expenses	–	(309)
Accounts payable and accrued liabilities	32,371	25,678
Due to related parties	24,500	62,317
Net cash used in operating activities	(22,999)	(4,793)
Investing activities		
Exploration and evaluation asset expenditures	(55,872)	(46,389)
Net cash used in investing activities	(55,872)	(46,389)
Financing activities		
Proceeds from share subscriptions	20,500	–
Proceeds from related parties	2,020	57,500
Proceeds from loan payable	50,073	–
Repayment of convertible debentures	–	(20,000)
Net cash provided by financing activities	72,593	37,500
Effects of foreign exchange rate changes on cash	4,266	1,015
Change in cash	(2,012)	(12,667)
Cash, beginning of period	3,431	13,277
Cash, end of period	1,419	610
Non-cash investing and financing activities:		
Shares issued for exploration and evaluation assets	–	7,500
Related party loan for exploration and evaluation asset expenditure	–	51,434

(The accompanying notes are an integral part of these condensed consolidated financial statements)

Millennium Silver Corp.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

1. Nature of Operations

Millennium Silver Corp. (formerly International Millennium Mining Corp.) (the "Company" or "MSC") is incorporated under the Business Corporations Act of British Columbia. The Company is listed on the TSX-Venture Exchange and its primary business is the acquisition, exploration, and evaluation of mineral properties in Canada and Nevada, USA. The address of the Company's registered office and its principal place of business is 20 Sixth Street, New Westminster, British Columbia, Canada, V3L 2Y8.

These condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2023, the Company has an accumulated deficit of \$17,042,027. During the nine month period ended September 30, 2023, the Company incurred a net loss of \$80,318, and used \$22,999 of cash for operating activities. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast doubt upon the Company's ability to continue as a going concern. These condensed consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Statement of Compliance

These condensed consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards 34, "*Interim Financial Reporting*", and based on the principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee. These condensed consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended December 31, 2022, which include the Company's significant accounting policies, and have been prepared in accordance with the same methods of application.

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

3. Significant Accounting Policies

(a) Principles of consolidation

These condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, International Millennium Mining Inc. ("IMMI"), a Nevada corporation. Control is achieved when the Company has the power to govern the financial and operating policies of an investee, so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the group until the date on which control ceases. All inter-company transactions and accounts have been eliminated on consolidation.

(b) Significant accounting estimates and judgments

The preparation of these condensed consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors including expectations of future events that are believed to be reasonable under the circumstances.

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

3. Significant Accounting Policies (continued)

(b) Significant accounting estimates and judgments (continued)

Significant assumptions about the future and other sources of judgments and estimates that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical judgments

- The analysis of the going concern assumption, which requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period; and
- The determination of whether it is likely that future economic benefits from exploration and evaluation expenditures are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Estimates

- Recoverability of exploration and evaluation assets; and
- Unrecognized deferred income tax assets.

4. Accounting Standards Issued But Not Yet Effective

Certain pronouncements have been issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2023 or later years. Management does not believe the adoption of these future standards will have a material impact on the Company's condensed consolidated financial statements.

5. Exploration and Evaluation Assets

(a) Nevada, USA Properties

(i) Silver Peak (Nivloc) Property, Esmeralda County

In September 2007, the Company established its interest in the Silver Peak (Nivloc) Property, located in Esmeralda County, Nevada, by acquiring 9 unpatented claims for US\$75,000 and 110,000 shares.

During fiscal 2011, an additional 95 contiguous claims (the "Additional Claims") were staked and recorded.

In February 2011, and amended May 22, 2012, the Company executed an Option and Joint Venture Agreement, with Silver Reserve Corp. ("SRC"), pursuant to which the Company acquired the right to purchase up to 85% interest in 18 unpatented lode claims (the "NL Extension Claims") contiguous with and surrounding the Company's existing Nivloc Mine property, Esmeralda County.

Millennium Silver Corp.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

5. Exploration and Evaluation Assets (continued)

(b) Nevada, USA Properties (continued)

(ii) Silver Peak (Nivloc) Property, Esmeralda County (continued)

The Company acquired the interest in the NL Extension Claims by making cash payments of US\$350,000 and by issuing 1,925,000 shares over a period of five years as follows:

	Cash (US\$)	Common shares
Upon execution of Letter of Intent (paid)	5,000	–
Upon execution of Agreement (paid 2011)	5,000	–
Upon receipt of TSX Venture approval (paid and issued)	15,000	275,000
On or before September 15, 2011 (paid and issued)	35,000	300,000
On or before September 15, 2012 (paid and issued)	50,000	300,000
On or before September 15, 2013 (paid and issued)	70,000	350,000
On or before September 15, 2014 (paid and issued)	70,000	350,000
On or before September 15, 2015 (paid and issued)	100,000	350,000
	350,000	1,925,000

On October 14, 2015, the Company made the final payment of US\$100,000 to SRC, thereby acquiring an 85% undivided interest in the Silver Peak (Nivloc) Property. The Company registered this 85% undivided interest in the Silver Peak (Nivloc) Property with the US Bureau of Land Management (the "US BLM") and Esmeralda County, Nevada.

Following the Company's completion of a positive feasibility study, the Silver Peak (Nivloc) Property was developed on a joint venture basis where SRC had the right to contribute to the development of the 122 claim Silver Peak (Nivloc) Property and retained a 15% interest therein. On January 7, 2016, the Company executed a Sale and Purchase Agreement, including an Option to Purchase Royalty Interest (the "Agreement"), to acquire SRC's remaining interests in the Silver Peak (Nivloc) Property (the "Transaction"). These interests include the following:

- (i) All rights, titles and interests owned by SRC in and to the remaining undivided 15% interest in and to the NL Extension Claims, and any and all licenses and permits pertaining thereto; and
- (ii) The sole and exclusive right and option to acquire a 15% interest in the 104 claims held by the Company (the "IMMC Claims").

Pursuant to the Agreement, the Company paid SRC US\$120,000 for the Silver Peak (Nivloc) Property interests detailed above (the "Silver Peak (Nivloc) Property Interests"), and SRC retained a royalty interest of 2% of Net Smelter Returns ("NSR") from the NL Claims and the IMMC Claims (the "Royalty Interest").

On December 22, 2016, the Company paid SRC US\$120,000 to acquire the 2% Royalty Interest, funded by Capital Mineral Resource Investments Limited ("CMRI"). As a condition of the funding the Company received from CMRI to purchase the Royalty Interest, 1% NSR of the Silver Peak (Nivloc) Property (the "1% Royalty Interest") was transferred to CMRI. CMRI granted to the Company an exclusive option to purchase 100% of CMRI's right, title and interest in the 1% Royalty Interest for \$2,000,000 for a period of ten years from December 24, 2016 (or any portion or portions thereof on a pro rata purchase price) at any time and from time to time on or before December 24, 2026.

In April 2017, the Company staked 42 lode claims, contiguous to the Silver Peak (Nivloc) Property, and acquired 8 unpatented lode claims contiguous thereto, all located in Esmeralda County, Nevada. The total cost was US\$62,700 and the issuance of 100,000 common shares of the Company.

Millennium Silver Corp.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

5. Exploration and Evaluation Assets (continued)

(a) Nevada, USA Properties (continued)

(i) Silver Peak (Nivloc) Property, Esmeralda County (continued)

In October 2017 (and amended on March 16, 2018), the Company executed Option Agreements with Silver Saddle Resources LLC (“Silver Saddle”) and Consent to Assignment Agreements between the Company, Silver Saddle and two underlying property owners (the “Silver Saddle Agreements”), to acquire 25 unpatented lode mineral claims located contiguous with the Company’s Silver Peak (Nivloc) Property (the “Silver Saddle Claims”) in Esmeralda County, Nevada.

Pursuant to the Silver Saddle Agreements, the Company acquired a 100% interest in the Silver Saddle Claims, subject to various net smelter return (“NSR”) royalties by making cash payments of US\$115,000 and by issuing 1,000,000 shares as follows:

	Cash (US\$)	Common shares
Upon execution of Letter of Intent (paid)	10,000	–
Upon receipt of TSX Venture approval (issued)	–	1,000,000
On or before December 31, 2017 (paid)	20,000	–
On or before March 29, 2018 (paid)	5,000	–
On or before June 30, 2018 (paid)	10,000	–
On or before March 29, 2019 (paid)	10,000	–
On or before April 30, 2019 (paid)	10,000	–
On or before March 29, 2020 (paid)	25,000	–
On or before May 15, 2020 (paid)	25,000	–
	115,000	1,000,000

The NSR royalties vary from 1.5% on eight of the claims, of which 1.25% NSR can be purchased for US\$190,000; 2.5% on seven of the claims, of which 1.25% NSR can be purchased for US\$110,000; and, 1.5% on ten of the claims, of which 0.5% NSR can be purchased for US\$500,000.

In November 2017, the Company staked an additional 14 claims contiguous to the Company’s Silver Peak (Nivloc) Property claims for US\$11,484.

The Company’s total land holdings in the Silver Peak (Nivloc) Property area include 211 claims covering in excess of 4,000 acres (1,600 hectares).

(iii) Simon Property

Pursuant to an Option Agreement executed in December 2004, and a Settlement Agreement, with the Estate of Nadean Bedford, announced in November 2010, the Company acquired, and holds in good standing, a 100% interest in the Simon Property, consisting of 20 patented and 3 unpatented contiguous claims. The Company also acquired by staking, and holds, a further 34 contiguous unpatented mining claims, which are in good standing. The monthly payments are US\$2,000. There are no underlying royalties.

Millennium Silver Corp.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

5. Exploration and Evaluation Assets (continued)

(a) Nevada, USA Properties (continued)

(iv) Simon Property

Pursuant to the terms of a non-binding Letter of Intent dated May 7, 2021 (the "Altair LOI"), between the Company and Altair Resources Inc. ("Altair"), a British Columbia company that is publicly traded on the TSX Venture Exchange (the "TSX-V"), and an addendum to the Altair LOI dated July 6, 2021, subject to TSX-V approval, the Company has granted Altair and option to earn 65% interest in the Simon Property in exchange for reimbursement of the monthly option payments of US\$2,000 to the original property owner and the following:

	Common shares	Exploration Expenditures \$
Upon receipt of TSX-V approval, issue:	500,000	-
Six (6) months following receipt of TSX-V approval, issue:	200,000	-
On the second anniversary of the Altair Agreement, issue:	300,000	-
On the third anniversary of the Altair Agreement, issue:	400,000	-
On the fourth anniversary of the Altair Agreement, issue:	500,000	-
On the fifth anniversary of the Altair Agreement, issue:	600,000	-
On or before December 31, 2022, complete exploration expenditures:		200,000
On or before December 31, 2023, complete exploration expenditures:		200,000 ⁽¹⁾
On or before December 31, 2024, complete exploration expenditures:		400,000 ⁽²⁾
On or before December 31, 2025, complete exploration expenditures:		500,000 ⁽²⁾
On or before December 31, 2026, complete exploration expenditures:		500,000 ⁽²⁾
Between the fifth and sixth anniversary of the Altair Agreement, complete exploration expenditures:		400,000 ⁽²⁾
	2,500,000	\$2,200,000

⁽¹⁾ of which at least 60% to be spent on core drilling.

⁽²⁾ of which at least 75% to be spent on core drilling.

(c) Notre Dame Property

On February 23, 2021, the Company entered into an option agreement whereby it can earn the sole and exclusive right and option to purchase 100% right, title, and interest in 96 mineral claims situated in the province of Newfoundland and Labrador, for \$6,240 (paid) and the issuance of 300,000 common shares of the Company (issued) within 10 business days of TSX-V approval. The optionor is entitled to receive a 0.25% NSR Royalty, which can be purchased by the Company for \$50,000. As at December 31, 2022, the Company recorded an impairment loss of \$46,640 as the Company has not planned any budgeted costs for future exploration of the property. In February 2023, the Company forfeited its rights to the property.

(d) Pynns Brook Property

On July 22, 2021, and as amended on July 27, 2021, the Company entered into an option agreement whereby it can earn the right and option to purchase 100% interest in 135 mineral claims situated in five claim groups in Deer Lake, Newfoundland and Labrador for \$6,825 (paid) and the issuance of 1,000,000 common shares of the Company, of which 500,000 common shares are due within 10 business days of TSX-V approval (issued) and 500,000 common shares are issuable by January 22, 2022 (issued). The claims are subject to a 1.5% NSR Royalty, of which 0.5% of the NSR Royalty can be purchased by the Company for \$500,000. As at December 31, 2022, the Company recorded an impairment loss of \$31,563. In July 2023, the Company forfeited its rights to the property.

Millennium Silver Corp.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

5. Exploration and Evaluation Assets (continued)

(e) Schedule of Exploration and Evaluation Assets

	Simon Property \$	Silver Peak (Nivloc) Property \$	Total \$
Acquisition costs:			
Balance, December 31, 2022	27,945	1,540,071	1,568,016
Option payments	24,223	–	24,223
Recovery of costs	(24,223)	–	(24,223)
Foreign exchange translation	(109)	(6,027)	(6,136)
Balance, September 30, 2023	27,836	1,534,044	1,561,880
Deferred exploration expenditures:			
Balance, December 31, 2022	–	5,075,929	5,075,929
Filing fees and other	5,362	50,510	55,872
Foreign exchange translation	14	(19,736)	(19,722)
Balance, September 30, 2023	5,376	5,106,703	5,112,079
	33,212	6,640,747	6,673,959

6. Loans Payable

- (a) As at September 30, 2023, the Company owed \$57,500 (December 31, 2022 - \$57,500) to a director of the Company, which is unsecured, non-interest bearing, and due on demand.
- (b) As at September 30, 2023, the Company owed \$25,000 (December 31, 2022 - \$25,000) to a family trust of the former CEO, which is unsecured, non-interest bearing, and due on demand.
- (c) As at September 30, 2023, the Company owed \$77,624 (December 31, 2022 - \$77,823) to a non-related party. The loans are unsecured, bear interest at 10% per annum, and of which \$27,000 was due on July 31, 2023 and \$50,624 (US\$37,524) was due on August 31, 2023.
- (d) As at September 30, 2023, the Company owed \$51,265 (US\$38,000) (December 31, 2022 - \$nil) to a non-related party. The loan is unsecured, bears interest at 5% per annum, and is due on demand.

7. Share Capital

(i) Authorized

Unlimited common shares without par value.

(ii) Stock options

The Company has a stock option plan for its directors, employees, and consultants to acquire common shares at a price to be determined by the fair market value of the shares at the date of the grant. The Company may issue up to 10% of the outstanding common shares under the plan. Options granted under the Plan will have a maximum term of five years. Options granted to persons providing investor relations activities will become vested with the right to exercise at one-quarter of the options upon conclusion of every three months subsequent to the date of the grant of the options.

Millennium Silver Corp.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
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THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

7. Share Capital (continued)

(ii) Stock options

	Number of options	Weighted average exercise price \$
Outstanding and exercisable, December 31, 2022 and September 30, 2023	11,340,000	0.05

Additional information regarding stock options as at September 30, 2023 is as follows:

Range of exercise prices \$	Number of options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.05	11,340,000	2.4	0.05

(iii) Share Purchase Warrants

A summary of the changes in share purchase warrants is presented below:

	Number of warrants	Weighted average exercise price \$
Outstanding, December 31, 2022	35,385,250	0.05
Expired	(35,385,250)	0.05
Outstanding, September 30, 2023	–	–

8. Related Party Transactions

- (a) As at September 30, 2023, the Company owed \$44,227 (December 31, 2022 – \$36,387) to Cabo for administrative and rent fees. During the period ended September 30, 2023, the Company incurred administration fees of nil (2022 - \$18,000) and rent fees of nil (2022 - \$9,000) to Cabo.
- (b) As at September 30, 2023, the Company owes \$72,875 (December 31, 2022 - \$57,375) to directors and former directors of the Company, which is included in due to related parties. The amounts owing are unsecured, non-interest bearing, and due on demand. During the nine months ended September 30, 2023, the Company incurred directors' fees of \$15,500 (2022 - \$14,625) to directors of the Company.
- (c) As at September 30, 2023, the Company owes \$76,835 (December 31, 2022 - \$55,781) to a firm where the Chief Financial Officer of the Company is a partner. The amount owing is included in accounts payable and accrued liabilities. During the nine months ended September 30, 2023, the Company incurred \$20,250 (2022 - \$23,875) of professional fees to this company.
- (d) As at September 30, 2023, included in the due to related parties, there is a balance of \$3,520 (December 31, 2022 - \$1,500) owing to a family trust of the former CEO.
- (e) As at September 30, 2023, included in the due to related parties, there is a balance of \$8,659 (December 31, 2022 - \$5,000) owing to a company controlled by the former CEO of the Company.

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

9. Financial Instruments and Risk Management

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk, and currency risk.

(a) Fair values

The fair values of other financial instruments, which include cash, accounts payable and accrued liabilities, loans payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Interest rate risk

The Company is not exposed to interest rate risk because its loans payable bear interest at a fixed interest rate. Fluctuations in market rates do not have a significant impact on the Company's operations.

(d) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. As at September 30, 2023, the Company has working capital deficit of \$448,227 (December 31, 2022 – \$333,311). The Company manages this risk by evaluating current and expected liquidity requirements and seeking financing arrangements as necessary.

(e) Currency risk

The functional currency of the Company is the Canadian dollar and the functional currency of the Company's wholly-owned subsidiary is the United States ("US") dollar. Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company operates in Canada and the US and a portion of the Company's expenditures are incurred in US dollars. A significant change in currency exchange rates between the Canadian and US currencies could have an effect on the Company's results of operations, financial position, or cash flows. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at September 30, 2023, the Company has cash on deposit totaling US\$1,057 (December 31, 2022 - US\$2,388). Cash in United States dollars has been translated to Canadian dollars at a rate of Cdn\$1.3491 (December 31, 2022 – Cdn\$1.3544) per US dollar. The Company has limited US dollar financial assets and liabilities and any fluctuations in the US dollar would have an insignificant impact on earnings.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

10. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties, if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management 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 is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2022.

11. Segmented Information

The Company operates in one business segment, being the acquisition, and exploration and evaluation of mineral properties which are all held in the United States. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for the periods ended September 30, 2023 and December 31, 2022.

12. Subsequent Event

On November 15, 2023, the Company entered into a promissory note agreement with a non-related party for proceeds of US\$12,000. The amount owing is unsecured, bears interest at 5% per annum, and is due on demand.