



Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended June 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

STRIKEPOINT GOLD INC.**STRIKEPOINTGOLD**
TSX.V:SKP | OTC:STKXF

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

As at	Notes	June 30, 2023	December 31, 2022
ASSETS			
Current			
Cash and cash equivalents		\$ 2,755,260	\$ 2,701,220
Marketable securities	4	-	1,475,000
Receivables		490,340	581,087
Prepaid expenses and deposits		49,935	30,235
Total current assets		3,295,535	4,787,542
Reclamation bond	5	70,000	70,000
Total assets		\$ 3,365,535	\$ 4,857,542
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 348,819	\$ 299,345
Total liabilities		348,819	299,345
Shareholders' Equity			
Share capital	6	49,495,539	49,174,110
Reserves	6	10,513,986	10,290,884
Accumulated other comprehensive income		15,762	-
Accumulated deficit		(57,008,571)	(54,906,797)
Total shareholders' equity		3,016,716	4,558,197
Total liabilities and shareholders' equity		\$ 3,365,535	\$ 4,857,542

Nature of Operations and Going Concern (Note 1)

Subsequent Event (Note 12)

On behalf of the Board:

"Adrian Fleming" Director
Adrian Fleming

"Michael G. Allen" Director
Michael G. Allen

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.**STRIKEPOINT GOLD**
TSX.V:SKP | OTC:STKXFCONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022	2023	2022
Expenses					
Exploration and evaluation	8	\$ 601,372	\$ 460,740	\$ 1,153,721	\$ 638,260
Management fees, salaries and wages	7	167,839	45,000	296,201	90,000
Office		11,064	23,180	50,084	38,787
Professional fees		79,485	35,947	201,500	66,264
Property investigation		37,016	-	41,551	-
Rent		19,977	11,692	47,758	20,092
Share-based compensation	6, 7	2,739	-	223,102	70,210
Shareholder communication		42,767	45,562	81,252	146,685
Transfer agent and regulatory		5,093	26,550	5,093	37,290
Travel and related		18,783	2,253	27,201	4,988
		(986,135)	(650,924)	(2,127,463)	(1,112,576)
Other items					
Flow-through share premium reversal		-	80,002	-	107,706
Foreign exchange gain (loss)		(15,556)	-	(19,855)	-
Interest income		24,980	240	30,050	465
Other expense	5	(50,000)	-	(50,000)	-
Realized and unrealized gain on marketable securities	4	180,494	-	65,494	-
		139,918	80,242	25,689	108,171
Loss for the period		(846,217)	(570,682)	(2,101,774)	(1,004,405)
Other comprehensive loss					
Foreign currency translation differences		15,895	-	15,762	-
Comprehensive loss for the period		\$ (830,322)	\$ (570,682)	\$ (2,086,012)	\$ (1,004,405)
Loss per common share (basic and diluted)		\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of shares outstanding		213,775,457	207,346,886	211,750,990	207,346,886

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities		
Loss for the period	\$ (2,101,774)	\$ (1,004,405)
Items not affecting cash		
Flow through share premium reversal	-	(107,706)
Shares issued for property acquisition	321,429	-
Unrealized foreign exchange gain	17,745	-
Share-based compensation	223,102	70,210
Other expenses	50,000	-
Gain on marketable securities	(65,494)	-
Change in non-cash working capital items		
Change in receivables	90,747	(32,184)
Change in prepaid expenses and deposits	(19,700)	(27,821)
Change in accounts payable and accrued liabilities	(526)	54,903
Net cash used in operating activities	(1,484,471)	(1,047,003)
Cash flows from investing activities		
Proceeds from sale of marketable securities	1,540,494	-
Net cash from investing activities	1,540,494	-
Effect of exchange rate changes on cash and cash equivalents	(1,983)	-
Change in cash and cash equivalents	54,040	(1,047,003)
Cash and cash equivalents, beginning of period	2,701,220	5,912,983
Cash and cash equivalents, end of period	\$ 2,755,260	\$ 4,865,980
Other Information		
Interest paid - cash	\$ -	\$ -
Taxes paid - cash	\$ -	\$ -
Cash and cash equivalents is comprised of:		
Cash	\$ 2,755,260	\$ 4,765,732
Guaranteed Investment Certificates (less than 90 days)	-	100,248
	\$ 2,755,260	\$ 4,865,980

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Expressed in Canadian Dollars)

	Notes	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
Balance at December 31, 2021		207,346,886	\$ 49,174,110	\$ 10,220,674	\$ -	\$ (53,777,686)	\$ 5,617,098
Share-based compensation	6	-	-	70,210	-	-	70,210
Loss for the period		-	-	-	-	(1,004,405)	(1,004,405)
Balance at June 30, 2022		207,346,886	\$ 49,174,110	\$ 10,290,884	\$ -	\$ (54,782,091)	\$ 4,682,903
Balance at December 31, 2022		207,346,886	\$ 49,174,110	\$ 10,290,884	\$ -	\$ (54,906,797)	\$ 4,558,197
Shares issued on property acquisition	5, 6	6,428,571	321,429	-	-	-	321,429
Share-based compensation	6	-	-	223,102	-	-	223,102
Foreign currency translation adjustment		-	-	-	15,762	-	15,762
Loss for the period		-	-	-	-	(2,101,774)	(2,101,774)
Balance at June 30, 2023		213,775,457	\$ 49,495,539	\$ 10,513,986	\$ 15,762	\$ (57,008,571)	\$ 3,016,716

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

StrikePoint Gold Inc. (the “Company” or “StrikePoint”) is incorporated under the laws of the Province of British Columbia and listed on the TSX Venture Exchange under the ticker symbol “SKP” and on the OTCQB in the United States under the ticker symbol “STKXF”. The Company is in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain ore reserves. The Company’s head office is located at Suite 3123 – 595 Burrard Street, PO Box 49139, Vancouver, BC, V7X 1J1.

These unaudited condensed consolidated interim financial statements have been prepared by management on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its exploration projects by issuance of share capital, through joint ventures, realizing future profitable production, and/or proceeds from the disposition of a property. As of June 30, 2023, the Company had an accumulated deficit of \$57,008,571 and working capital of \$2,946,716, however additional financing will be required to carry out additional exploration and development of its properties. The Company’s current forecast indicates that it will have sufficient working capital for at least the next 12-months from June 30, 2023 to continue as a going concern.

These unaudited condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, as applicable to interim financial reports including International Accounting Standard 34, *Interim Financial Reporting*. Therefore, these condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS.

The accounting policies and basis of presentation applied in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company’s audited annual consolidated financial statements for the year ended December 31, 2022, unless otherwise noted.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors of the Company on August 24, 2023.

Basis of Consolidation

These unaudited condensed consolidated interim financial statements include the accounts of its wholly owned subsidiaries, including Mount Rainey Silver Inc. During the year ended December 31, 2022, the Company incorporated 1391512 BC Ltd. and 1391515 BC Ltd. (both are inactive holding companies that were incorporated under the BC Business Corporations Act). The Company also incorporated its wholly owned subsidiary Stimitant LLC (“Stimitant”), in Nevada, U.S.A. during the six months ended June 30, 2023. Stimitant owns the Cuprite Gold Project (“Cuprite”) acquired in 2023 (Note 5).

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION - *continued*

The accounting policies and basis of presentation applied in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited annual consolidated financial statements for the year ended December 31, 2022.

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of Company and all its subsidiaries, with the exception of its newly incorporated wholly owned US subsidiary, Stimitant, whose functional currency is the U.S. dollar. Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. On the closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate, and non-monetary assets and liabilities, at historical rates. Exchange differences arising on the settlement of monetary items or on translating monetary items at different rates from those at which they are translated on initial recognition during the period or in previous consolidated financial statements are recognized in profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of Stimitant are expressed in Canadian dollars using the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case exchange rates at the dates of the transactions are used. Exchange differences are recognized in other comprehensive income (loss) and reported as a currency translation adjustment in equity.

New and Future Accounting Standards

- a) International Accounting Standard ("IAS") 1 and IFRS Practice Statement ("PS") 2: In February 2021, the International Accounting Standards Board ("IASB") issued amendments to IAS 1 and the IFRS PS 2, *Making Materiality Judgements*, to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with a requirement to disclose "material" accounting policies. Guidance and illustrative examples are added in the PS to assist in the application of materiality concept when making judgments about accounting policy disclosures. The standard was adopted by the Company on January 1, 2023.
- b) In October 2022, the IASB issued *Non-Current Liabilities with Covenants*, which amended IAS 1 to clarify that if the Company's right to defer settlement of a liability for at least 12 months is subject to the Company complying with covenants after the reporting period, those covenants would not affect whether the Company's right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. The amendments also increased the disclosure requirement relating to such covenants to include: (i) the nature of the covenants and the date by which the Company must comply with the covenants; (ii) whether the Company would comply with the covenants based on its circumstances at the reporting date; and (iii) whether and how the Company expects to comply with the covenants by the date on which they are contractually required to be tested. The above amendments are effective for the Company's annual reporting periods beginning on or after January 1, 2024. The Company does not currently expect the adoption of this standard to have a material impact on the Company's reporting.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make accounting policy judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical accounting policy judgments and estimates applied in the preparation of the Company's unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in Note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2022, except as noted below.

Management is required to assess the functional currency of each entity of the Company. In concluding that the Company's entities' functional currencies are the Canadian dollar and the US dollar, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. If no single currency is clearly dominant, the Company also considers secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

4. MARKETABLE SECURITIES

During the year ended December 31, 2022, the Company received 500,000 common shares of Snowline Gold Corp. ("Snowline") in conjunction with the sale of the majority of its Yukon properties (Note 5). During the six months ended June 30, 2023, the Company sold its entire position of Snowline for net proceeds of \$1,540,494, resulting in a gain on sale of marketable securities of \$65,494.

5. EXPLORATION AND EVALUATION PROPERTIES**Cuprite Gold Project ("Cuprite")**

During the six months ended June 30, 2023, the Company completed the acquisition of a 100% interest in Cuprite, located in Nevada from Orogen Royalties Inc. ("Orogen"). Pursuant to the agreement, the Company issued a total of 6,428,571 common shares (with a fair value at the time of issuance of \$321,429) and paid \$47,598 (US \$35,208) in cash, which was charged to the statement loss as exploration and evaluation costs during the six months ended June 30, 2023.

Orogen was granted a 3% NSR, 0.5% of the NSR can be purchased by the Company for US \$2,500,000. Orogen will also retain a 1.5% NSR on any after-acquired internal claims held by third parties. Orogen will hold a one-kilometer area of interest around Cuprite and additional claims staked within the area of interest will be subject to the 3% NSR (which is also subject to the 0.5% buy-back provision noted above).

During the six months ended June 30, 2023, the Company also paid \$56,577 to acquire additional claims included in the Cuprite Gold Project via staking and paid other acquisition related costs of \$22,296.

5. EXPLORATION AND EVALUATION PROPERTIES - *continued***Projects in British Columbia, Canada – Porter and Willoughby**

The Company holds a 100% interest in the Willoughby property, located in north-western British Columbia. In March 2019, the Company posted a reclamation bond payment in the amount of \$39,000. During the year ended December 31, 2022, the Company sold a small track of land located near Willoughby for net cash proceeds of \$52,626. The project is subject to a 1.5% net smelter return (“NSR”) royalty, of which 0.5% can be purchased for a cash payment of \$1,000,000.

The Company holds a 100% interest in the Porter Idaho Property, located near Stewart, British Columbia. The property is subject to a 1% NSR, of which the Company has the option to purchase 0.5% for \$750,000. As at June 30, 2023, the Company posted a reclamation bond payment in the amount of \$31,000 (December 31, 2022 - \$10,000) on the Porter Idaho Property. The Company also holds a 100% interest in the Handsome Jack property, adjacent to the Porter Idaho property (subject to a 1% NSR, of which the Company can buy back 0.5% for \$500,000). The Company also staked, the Big, Bada and Boom properties, contiguous to its Porter Idaho and Handsome Jack properties near Stewart, BC.

At June 30, 2023 and December 31, 2022, accounts payable and accrued liabilities included costs associated with reclamation at the Willoughby and Porter Projects totalling \$175,000 and \$30,000 respectively. During the six months ended June 30, 2023, the Company recorded additional reclamation costs of \$145,000 related to decommissioning of certain pads and structures at both Willoughby and Porter (Note 8) as a result of updated and expected cost estimates.

Yukon Properties

Since 2017, the Company has held certain interests in a portfolio of claims and properties located in the Yukon, Canada. During the year ended December 31, 2022, the Company sold a significant portion of the Yukon properties to Snowline, a Canadian public company, for cash proceeds of \$500,000 and the issuance of 500,000 Snowline common shares valued at \$1,375,000 (Note 5). As of June 30, 2023, the Company continues to own a 100% interest in a small number of claims in the district of Dawson, Yukon, which expire at various times between 2023 and 2029.

During the six months ended June 30, 2023, the Company recorded \$50,000 to other expense related to certain camp closure and removal costs on claims sold to Snowline.

6. SHARE CAPITAL**Authorized Share Capital**

As of June 30, 2023, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

Issued Share Capital

For the six months ended June 30, 2023, the Company issued a total of 6,428,571 common shares with a fair value at the time of issuance of \$321,429 to Orogen for the purchase of Cuprite (Note 5).

There were no shares issued during the year ended December 31, 2022.

6. SHARE CAPITAL - continued
Stock Options

StrikePoint's stock option plan authorizes the Company to grant options to directors, employees, and consultants to acquire up to 20,713,950 common shares of the Company's issued and outstanding common shares. The plan is administered by the Board, who is tasked with the responsibility to interpret the plan, including determining the times when awards granted, to whom, the number of awards granted, the length of the exercise period and vesting provisions, subject to the terms of the plan, applicable securities laws, and regulatory requirements.

A summary of the Company's stock option activities for the six months ended June 30, 2023 and for the year ended December 31, 2022 is presented below.

	Six Months Ended June 30, 2023		Year Ended December 31, 2022	
	Shares issuable on exercise of options	Weighted average exercise price	Shares issuable on exercise of options	Weighted average exercise price
Opening balance	16,900,000	\$ 0.21	17,950,000	\$ 0.22
Granted	5,250,000	0.07	1,000,000	0.20
Expired	(5,450,000)	0.21	(2,050,000)	0.43
Ending balance	16,700,000	\$ 0.17	16,900,000	\$ 0.21

As at June 30, 2023, the following stock options were outstanding and exercisable:

Options Outstanding			Options Exercisable
Number of Options	Exercise Price	Weighted average remaining contractual life in years	Number of Options
7,650,000	\$ 0.20	1.41	7,650,000
3,800,000	\$ 0.25	2.94	3,800,000
3,000,000	\$ 0.08	4.53	3,000,000
2,000,000	\$ 0.06	4.67	2,000,000
250,000	\$ 0.07	4.79	-
16,700,000	\$ 0.17	2.76	16,450,000

Share-Based Compensation

During the six months ended June 30, 2023, the Company granted a total of 5,250,000 stock options with a weighted average exercise price of \$0.07 per share and an expiry date of five years. The weighted average fair value of the stock options on the grant date was \$0.04 per share, resulting in stock-based compensation expense of \$223,102 for the six months ended June 30, 2023.

In January 2022, the Company granted 1,000,000 stock options with an exercise price of \$0.20 per share and an expiry date of five years. The fair value of the stock options on the grant date was \$0.07 per share, resulting in stock-based compensation expense of \$70,210 for the six months ended June 30, 2022.

6. SHARE CAPITAL - continued**Share-Based Compensation - continued**

The Company applies the fair value method using the Black-Scholes option pricing model to account for stock options granted. The following weighted average assumptions were used to calculate the fair value of the stock options granted during the period:

	Six Months Ended June 30,	
	2023	2022
Weighted average risk-free interest rate	3.21%	1.65%
Weighted average expected option life	5 years	5 years
Weighted average expected stock volatility	75%	95.8%
Weighted average expected dividend yield	Nil	Nil

Warrants

There were no warrants outstanding as of June 30, 2023 and December 31, 2022.

7. RELATED PARTY TRANSACTIONS

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company has identified its members of the Board, its Chief Executive Officer (“CEO”), its Chief Financial Officer (“CFO”), and its former VP Exploration as its key management personnel.

The various fees and compensation paid to directors and key management personnel for each of the periods presented are identified in the table below.

	Six Months Ended June 30,	
	2023	2022
Salaries and wages paid to current CEO	\$ 125,000	\$ -
Salaries and wages paid to current CFO	44,792	-
Fees paid or accrued Chairman (former CEO) ¹	90,000	90,000
Fees paid or accrued to a member of the Board	18,000	18,000
Fees paid or accrued to former VP Exploration ¹	60,000	145,512
Fees paid or accrued to former CFO ¹	\$ 40,000	\$ 60,000

¹⁾ Fees paid or accrued were paid to companies controlled by noted key management.

During the six months ended June 30, 2023, the Company recorded share-based compensation expense totalling \$202,984 (six months ended June 30, 2022 - \$70,210) to directors and officers of the Company.

As of June 30, 2023, accounts payable and accrued liabilities included \$17,556 (December 31, 2022 - \$76,221) due to related parties for outstanding fees, compensation, and expense reimbursement charges.

8. EXPLORATION AND EVALUATION COSTS

The following table provides a breakdown of the Company's exploration and evaluation costs for each of the periods noted:

	Three Months Ended June 30, 2023				Six Months Ended June 30, 2023			
	Cuprite	Willoughby	Porter	Total	Cuprite	Willoughby	Porter	Total
Acquisition of project	\$ -	\$ -	\$ -	\$ -	\$ 447,900	\$ -	\$ -	\$ 447,900
Administration and storage	-	7,782	-	7,782	1,802	29,502	-	31,304
Claim fees	116,536	-	-	116,536	116,536	-	-	116,536
Field, camp, and travel	1,333	91	-	1,424	1,333	4,498	-	5,831
Geological consulting and fees	145,709	-	-	145,709	162,229	60,000	-	222,229
Permitting	72,808	-	-	72,808	72,808	-	-	72,808
Reclamation	-	113,100	31,900	145,000	-	113,100	31,900	145,000
Studies and surveys	112,113	-	-	112,113	112,113	-	-	112,113
	\$ 448,499	\$ 120,973	\$ 31,900	\$ 601,372	\$ 914,721	\$ 207,100	\$ 31,900	\$ 1,153,721

	Three Months Ended June 30, 2022				Six Months Ended June 30, 2022			
	Cuprite	Willoughby	Porter	Total	Cuprite	Willoughby	Porter	Total
Drilling and assay	\$ -	\$ 103,638	\$ 6,950	\$ 110,588	\$ -	\$ 136,407	\$ 6,950	\$ 143,357
Field and camp	-	16,923	6,407	23,330	-	22,158	7,440	29,598
Geological consulting and fees	-	104,329	120,658	224,987	-	206,762	156,708	363,470
Helicopter and fuel	-	100,917	918	101,835	-	100,917	918	101,835
	\$ -	\$ 325,807	\$ 134,933	\$ 460,740	\$ -	\$ 466,244	\$ 172,016	\$ 638,260

9. SEGMENTED INFORMATION

The Company currently operates in one reportable operating segment, being the acquisition, exploration, and development of natural resource properties, which is conducted principally in Canada and the United States of America. The Company is in the exploration stage and accordingly, has no reportable segment revenues for any of the periods presented in these financial statements. All of the Company's non-current assets were held in Canada.

10. FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair Value

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 Company's financial instruments include cash and cash equivalents, receivables (excluding value-added tax receivable), reclamation bond and accounts payable and accrued liabilities. The carrying values of the Company's financial assets and financial liabilities are approximately equal to their fair values.

Risk Factors

The Company is exposed to a variety of financial instrument-related risks, including those discussed below.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash and cash equivalents are held by one bank, resulting in a concentration of credit risk with the bank. To mitigate this risk, the Company holds its cash and cash equivalents at a large chartered Canadian bank with a high level of credit quality, as determined by third party rating agencies. The Company's receivables are predominately related to receivables from goods and services input tax credits (collectible from the Government of Canada), with the remaining trade receivable balance being nominal and considered to be collectible by the Company.

10. FINANCIAL INSTRUMENTS AND RISK FACTORS - *continued*b) Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. The Company's ability to advance various projects is dependent upon its ability to raise additional funds through access to equity markets. If necessary, the Company may seek financing for capital projects or working capital needs. Such financing, if required, will depend on several unpredictable factors, which are often beyond the control of the Company. These would include the expected expenditures for exploration and acquisition of new assets, which could be curtailed should funding not be available.

c) Market Risk

Market risk consists of foreign currency exchange risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns.

i) Foreign Currency Exchange Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate from changes in foreign exchange rates. Although the Company is in the exploration stage and has not yet developed commercial mineral interests, the underlying market prices in Canada for minerals are impacted by changes in the exchange rate between the Canadian and the United States Dollar. The Company's exploration and evaluation costs, as well as other general and administrative costs are denominated in both Canadian and United States Dollars. The Company has not agreed to any arrangements to hedge its currency risk. At June 30, 2023, a U.S. Dollar closed at CAD \$1.3250 and the average for the six months ended June 30, 2023 was CAD \$1.3476. Based on the net exposures as of June 30, 2023 and for the six months then ended and assuming that all other variables remain constant, a 10% change in the U.S. dollar exchange rate, would not materially affect the statement of loss and comprehensive loss.

ii) Commodity Price Risk

Commodity price risk is the risk that the fair value of financial assets and financial liabilities or expected future cash flows will fluctuate because of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States Dollars, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk currently. However, the Company is indirectly exposed to commodity price risk as it impacts the Company's access to capital and funding and potentially its ability to finance its activities.

iii) Interest Rate Risk

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its interest earning bank account. The income earned from its bank account balance is subject to the movements in interest rates. The Company has cash balances and maintains no-interest bearing debt, therefore, interest rate risk is minimized.

11. CAPITAL MANAGEMENT

The Company considers its capital structure to include working capital and shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and risk characteristics of the underlying assets and capital markets. In order to facilitate the management of capital and the development of its mineral properties, the Company prepares annual expenditure budgets which are regularly monitored and updated as necessary.

To maintain or adjust the capital structure, the Company may issue new equity or debt financing, if available, on favorable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter joint venture arrangements, or dispose of mineral properties.

The Company's investment policy is to hold cash and term deposits in interest-bearing bank accounts and highly liquid short-term, interest-bearing investments with maturities of one year or less which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements. There have been no significant changes in the Company's approach to capital management during the six months ended June 30, 2023.

12. SUBSEQUENT EVENT

Subsequent to June 30, 2023, 1,050,000 stock options exercisable at a weighted average of \$0.22 per share expired.