



MOUNTAIN BOY MINERALS LTD.

FINANCIAL STATEMENTS

For the years ended November 30, 2022 and 2021

Mountain Boy Minerals Ltd.
Suite 410 – 325 Howe Street
Vancouver, BC V6C 1Z7
Telephone: 604-687-3520
Fax: 1-888-889-4874

Trading Symbol
TSXV: MTB
OTCQB: MBYMF

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Mountain Boy Minerals Ltd.

Opinion

We have audited the financial statements of Mountain Boy Minerals Ltd. (the "Company") which comprise the statements of financial position as at November 30, 2022 and 2021, and the statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2(c) of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

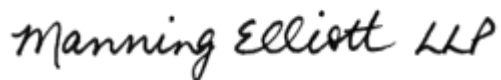
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Paul Joseph Leedham.

A handwritten signature in black ink that reads 'Manning Elliott LLP'.

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
March 17, 2023

MOUNTAIN BOY MINERALS LTD.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	November 30, 2022	November 30, 2021
ASSETS			
Current			
Cash and cash equivalents		\$ 306,628	\$ 191,573
Marketable securities	5	219,599	717,181
Receivables		30,062	45,442
Prepaid expenses		117,187	31,906
		673,476	986,102
Non-current			
Exploration and evaluation assets	6	21,560,576	19,274,844
Reclamation bonds		194,764	166,307
		21,755,340	19,441,151
		\$ 22,428,816	\$ 20,427,253
LIABILITIES			
Current			
Trade and other payables	8	\$ 116,546	\$ 139,254
Due to joint venture partner	6(b)	34,419	24,286
		150,965	163,540
Non-current			
Deferred tax liabilities		2,752,721	2,564,000
		2,903,686	2,727,540
EQUITY			
Share capital	7	32,617,134	29,706,470
Contributed surplus	7	5,421,870	4,921,238
Deficit		(18,513,874)	(16,927,995)
		19,525,130	17,699,713
		\$ 22,428,816	\$ 20,427,253

Corporate Information – Note 1
Going Concern – Note 2(c)
Subsequent Event – Note 13

These financial statements were authorized for issue by the Board of Directors on March 17, 2023.
They are signed on the Company's behalf by:

<u>“Mark T. Brown”</u> Mark T. Brown	Director	<u>“Lawrence Roulston”</u> Lawrence Roulston	Director
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The accompanying notes are an integral part of these financial statements

MOUNTAIN BOY MINERALS LTD.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian dollars)

	Note	For the three months ended November 30		For the years ended November 30	
		2022	2021	2022	2021
Expenses					
Accounting and audit fees	8	\$ 19,039	\$ 78,100	\$ 149,864	\$ 154,100
Consulting fees	8	77,775	16,000	196,056	35,216
Filing fees		6,070	3,200	14,192	15,425
Investor relations	8	-	12,432	47,005	77,101
Legal fees		-	-	8,593	4,221
Management fees	8	28,100	31,800	109,800	108,900
Office and miscellaneous		8,109	7,805	33,753	53,571
Shareholder communications		(12,935)	22,150	133,218	73,082
Share-based payments	7(d)	(36,610)	124,988	229,287	124,988
Telephone		-	1,116	-	1,116
Transfer agent fees		2,257	1,770	14,076	11,905
		<u>(91,805)</u>	<u>(299,361)</u>	<u>(935,844)</u>	<u>(659,625)</u>
Other items					
Settlement of flow-through premium liability	7(b)	45,984	-	-	399,120
Fair value gain (loss) on marketable securities	5	19,707	(29,153)	(479,582)	65,800
Realized gain on marketable securities	5	-	-	3,200	32,584
Other income		13,272	135	15,068	15,082
		<u>78,963</u>	<u>(29,017)</u>	<u>(461,314)</u>	<u>512,586</u>
(Loss) before income taxes		(12,842)	(328,378)	(1,397,158)	(147,039)
Income taxes					
Deferred income tax recovery (expense)	11	(188,721)	635,000	(188,721)	635,000
Net income (loss) and comprehensive income (loss)		<u>\$ (201,563)</u>	<u>\$ 306,622</u>	<u>\$ (1,585,879)</u>	<u>\$ 487,961</u>
Basic and diluted earnings (loss) per share		<u>\$ (0.00)</u>	<u>\$ 0.01</u>	<u>\$ (0.02)</u>	<u>\$ 0.01</u>
Weighted average number of common shares outstanding					
		<u>77,868,562</u>	<u>54,031,932</u>	<u>66,961,807</u>	<u>54,019,302</u>

The accompanying notes are an integral part of these financial statements

MOUNTAIN BOY MINERALS LTD.
STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Note	Number of shares	Share capital	Contributed surplus	Deficit	Total equity
Balance as at November 30, 2020		53,779,551	\$ 29,624,498	\$ 4,797,424	\$ (17,415,956)	\$ 17,005,966
Share issuance costs		-	(603)	-	-	(603)
Exercise of finder's warrants	7	12,600	4,325	(1,175)	-	3,150
Property option payments	6	350,000	78,250	-	-	78,250
Share-based payments		-	-	124,988	-	124,988
Net income and comprehensive income		-	-	-	487,961	487,961
Balance as at November 30, 2021		54,142,151	29,706,470	4,921,238	(16,927,995)	\$ 17,699,713
Private placements	7	23,226,411	2,978,376	232,264	-	3,210,640
Share issuance costs		-	(150,712)	39,081	-	(111,631)
Share-based payments		-	-	229,287	-	229,287
Property option payments	6	500,000	83,000	-	-	83,000
Net loss and comprehensive loss		-	-	-	(1,585,879)	(1,585,879)
Balance as at November 30, 2022		77,868,562	\$ 32,617,134	\$ 5,421,870	\$ (18,513,874)	\$ 19,525,130

The accompanying notes are an integral part of these financial statements

MOUNTAIN BOY MINERALS LTD.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	For the years ended	
	November 30	
	2022	2021
Cash provided by (used for):		
Operating activities		
Net income (loss)	\$ (1,585,879)	\$ 487,961
Items not involving cash:		
Share-based payments	229,287	124,988
Deferred income tax (recovery) expense	188,721	(635,000)
Fair value loss (gain) on marketable securities	479,582	(65,800)
Realized (gain) on marketable securities	(3,200)	(32,584)
Settlement of flow-through premium liability	-	(399,120)
Changes in non-cash working capital items:		
Receivables	15,380	41,946
Prepaid expenses	(85,281)	6,118
Trade and other payables	(4,744)	(82,427)
Cash used in operating activities	(766,134)	(553,918)
Investing activities		
Exploration and evaluation assets	(2,210,563)	(2,612,609)
Proceeds from sale of marketable securities	21,200	77,584
Reclamation bonds	(28,457)	(10,353)
Cash used in investing activities	(2,217,820)	(2,545,378)
Financing activities		
Net proceeds from issuance of common shares	3,099,009	2,548
Cash provided by financing activities	3,099,009	2,548
Net increase (decrease) in cash	115,055	(3,096,748)
Cash and cash equivalents - beginning of the year	191,573	3,288,321
Cash and cash equivalents - end of the year	\$ 306,628	\$ 191,573

Non-Cash Transactions – Note 9

The accompanying notes are an integral part of these financial statements

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

1. Corporate Information

Mountain Boy Minerals Ltd. (the “Company”) is an exploration stage company incorporated on April 26, 1999, under the laws of the Province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in the Province of British Columbia, Canada. The Company’s common shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol “MTB”.

The Company’s head office is 410-325 Howe Street, Vancouver, BC V6C 1Z7.

2. Basis of Preparation

a) Statement of Compliance

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

b) Basis of Measurement

These financial statements have been prepared using the historical cost basis except for financial instruments that have been measured at fair value.

The financial statements are presented in Canadian dollars, which is the Company’s functional currency and presentation currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

c) Going Concern

At November 30, 2022, the Company has not generated revenue or cash flow from operations and has an accumulated deficit of \$18,513,874 and expects to incur further losses in the exploration and evaluation of its mineral properties. These 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 for the foreseeable future. The Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the Company’s ability to obtain adequate financing to develop the reserves, and its ability to commence profitable operations in the future. These conditions form a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern.

To date, the Company has been able to fund its operations and its mineral property exploration programs through equity financings and the sale of a non-core asset. The continued volatility in the equity markets may make it difficult to raise capital through the private placement of shares. The junior mining industry is considered speculative in nature which could make it more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

2. Basis of Preparation – (continued)

c) Going Concern (continued)

These 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 as a going concern.

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. The impact on global commerce continues to be far reaching. Material uncertainties may come into existence that could influence management's going concern assumption. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company. The Company continues to closely evaluate the impact of COVID-19 on its operations.

3. Significant Accounting Policies

These financial statements have, in management's opinion, been properly and consistently prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

3. Significant Accounting Policies – (continued)

a) Mineral Exploration and Evaluation Expenditures (continued)

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

b) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to the profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss.

c) Financial Instruments

IFRS 9 – Financial Instruments uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest.

On initial recognition financial assets are classified as measured at:

- i. Amortized cost;
- ii. Fair value through profit and loss ("FVTPL"); or
- iii. Fair value through other comprehensive income ("FVOCI")

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

On initial recognition financial liabilities are classified as measured at:

- i. Amortized cost; or
- ii. Fair value through profit and loss ("FVTPL")

The following table summarizes the classification of the Company's financial assets and financial liabilities:

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

3. Significant Accounting Policies – (continued)c) Financial Instruments (continued)**Financial Assets**

Cash and cash equivalents	FVTPL
Marketable securities	FVTPL
Reclamation bonds	Amortized cost

Financial Liabilities

Trade and other payables	Amortized cost
Due to joint venture partner	Amortized cost

d) ProvisionsRehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. Rehabilitation activities include restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur. At November 30, 2022 and 2021, the Company did not have any rehabilitation provisions.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

e) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit or loss.

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

3. Significant Accounting Policies – (continued)

e) Income Taxes (continued)

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

f) Cash Equivalents

Cash equivalents comprise short-term money market instruments with an original maturity of three months or less when acquired, which are readily convertible into a known amount of cash.

g) Government Grants

The province of B.C. provides mining exploration tax credits for certain exploration expenditures incurred in B.C. that are recorded as a reduction of the exploration and development costs of the respective exploration and evaluation assets. Until such time that there is significant certainty with regard to collections and assessments, the Company will record any recovered tax credits at the time of receipt. No gain or loss is realized during the exploration stage until all carrying costs of the specific interest have been offset.

h) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

The fair value of the common shares issued in a private placement unit of shares and warrants is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted price on the issuance date. The remaining proceeds, if any, are allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus. If the warrants are issued as share issuance costs, the fair value of agent's warrants are measured using the Black-Scholes Option Pricing Model and recognized in equity as a deduction from the proceeds. Please refer to Note 4(d) for additional information.

Costs directly attributable to the issue of new shares are recognized in equity as a deduction from the proceeds. Costs attributable to the listing of existing shares are expensed as incurred.

i) Earnings (loss) per Common Share

Basic earnings (loss) per share is computed by dividing the net income (loss) applicable to the common shares by the weighted average number of common shares outstanding during the period.

Diluted earnings (loss) per common share is computed by dividing the net income (loss) applicable to the common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted using the treasury stock method. When a loss is incurred during the period; basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is anti-dilutive.

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

3. Significant Accounting Policies – (continued)j) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

k) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

3. Significant Accounting Policies – (continued)

l) New accounting standards and interpretations

Presentation of financial statements

An amendment to IAS 1 *Presentation of Financial Statements*, was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period. The Company does not expect this amendment to have a significant impact on the Company's financial statements.

4. Critical Accounting Estimates and Judgments

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

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both. Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Rehabilitation Provisions

Rehabilitation provisions have been determined to be \$Nil based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

4. Critical Accounting Estimates and Judgments – (continued)

d) Share-Based Payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

e) Recognition of Deferred Tax Assets and Liabilities

The carrying amounts of deferred tax assets and liabilities are reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Changes in estimates of future taxable income can materially affect the amount of deferred income tax assets and liabilities recognized.

f) Going Concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. Please refer to Note 2(c) for additional information.

5. Marketable Securities

The Company holds shares of a publicly traded company which are measured and presented at the observable market share price as at the date of the statements of financial position. The shares were acquired pursuant to the sale of the Silver Coin property in October 2018.

November 30, 2022	Shares	Cost	Fair value
Ascot Resources Ltd.	563,074	\$ 506,767	\$ 219,599
<hr/>			
November 30, 2021	Shares	Cost	Fair value
Ascot Resources Ltd.	583,074	\$ 524,767	\$ 717,181
<hr/>			
For the years ended			
	November 30, 2022	November 30, 2021	
<hr/>			
Net changes in fair value on marketable securities through profit or loss:			
Realized gain	\$ 3,200	\$ 32,584	
Change in unrealized gain (loss)	(479,582)	65,800	
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Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

6. Exploration and Evaluation Assetsa) Barbara (BA) and Surprise Creek Properties

By an agreement dated September 21, 2006, the Company acquired a 50% interest in the Barbara property which consists of 10 mineral claims situated in the Skeena Mining Division of British Columbia. The Company was required to complete an 800 metre drill program on the property (completed). The property is subject to a 2% net smelter return royalty to a former director of the Company of which 1% may be purchased for \$500,000. During the year ended November 30, 2007, the Company acquired the remaining 50% interest in the property.

On January 28, 2010, the Company entered into an option and joint venture agreement with Great Bear Resources Ltd. ("Great Bear") which granted Great Bear the option to acquire up to a 70% interest in the Barbara, Stro, Booze and George Copper properties. On April 1, 2010, the Company received TSX-V approval for the agreement and issued 120,000 common shares valued at \$1.00 per share as a finder's fee with respect to this transaction. The agreement gave Great Bear the option to earn an initial 50% interest in the Barbara and George Copper properties by paying \$158,000 (paid) and incurring \$5,500,000 in exploration expenditures on or before December 31, 2013 (incurred).

The agreement was amended on October 25, 2010 in which Great Bear could earn an additional 20% interest by completing a bankable feasibility study on or before December 31, 2015. Great Bear did not complete a bankable feasibility study by December 31, 2015 and therefore did not execute their option to acquire an additional 20% interest in the properties. In consideration of the amendment, Great Bear included the Surprise Creek Property under the terms of the agreement and the acquisition costs for the Surprise Creek Property were borne entirely by Great Bear, and were applied against the earn-in requirement towards the Barbara Property. The Surprise Creek Property consists of 19 mineral claims situated in the Skeena Mining Division of British Columbia.

On October 18, 2016, the Company and Great Bear amended their agreement and entered into separate joint venture agreements for the Barbara and Surprise Creek Properties. The joint venture agreements set Great Bear as the operator of the Barbara Property and set the Company as the operator of the Surprise Creek Property. Both the Company and Great Bear retain a 50% ownership interest in the Surprise Creek and Barbara Properties.

On June 1, 2017, the Company and Great Bear entered into an additional option agreement in which the Company was granted the option to acquire Great Bear's 50% interest in the Barbara and Surprise Creek properties by issuing a total of 2,000,000 common shares and paying \$1,300,000 to Great Bear in stages between the date of TSX-V acceptance of the agreement and August 20, 2020 as follows:

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

6. Exploration and Evaluation Assets – (continued)

a) Barbara (BA) and Surprise Creek Properties – (continued)

- On signing, Great Bear will receive 500,000 shares (issued);
- \$150,000 by August 20, 2017 (paid);
- \$150,000 by November 20, 2017 (paid);
- 500,000 shares by April 15, 2018 (issued) and \$300,000 by August 20, 2018 (deferred to March 20, 2019 by issuing 120,000 shares; the Company transferred 323,000 common shares of Ascot to Great Bear in lieu of making the \$300,000 cash payment);
- 500,000 shares by April 15, 2019 (issued) and \$350,000 by August 20, 2019 (the Company transferred 425,000 common shares of Ascot to Great Bear in lieu of making the \$350,000 cash payment); and
- 500,000 shares by April 15, 2020 (issued) and \$350,000 by August 20, 2020 (the Company issued 620,000 common shares to Great Bear in lieu of making the \$350,000 cash payment).

As at November 30, 2020, the Company has made all the required payments and common share issuances to Great Bear under the additional option agreement to acquire Great Bear's 50% interest in the Barbara and Surprise Creek properties.

In addition, the Company will make cash payments to Great Bear on achieving certain milestones toward establishing an economic resource, which could amount to as much as \$3,700,000 were both properties to go into production.

b) Red Cliff Property

The Company had a 100% interest in the Red Cliff claims which are located in the Skeena Mining Division of British Columbia. The Red Cliff property was subject to a 2% net smelter return royalty ("NSR") of which 1% may be purchased for \$1,000,000.

On November 19, 2008, Decade Resources Ltd. ("Decade"), a public company, with a former director in common with the Company acquired a 60% interest in Red Cliff claims by incurring \$1,250,000 in exploration expenditures on the Red Cliff Claims. Decade became the operator of the property.

On October 31, 2011, the Company informed Decade that it could not finance its share of exploration expenditures and therefore would have its interest diluted under the terms of the joint venture agreement. At October 31, 2011, the Company owed Decade \$435,785 in exploration expenditures related to its 40% interest in the Red Cliff property. Effective November 1, 2011, the Company agreed to dilute its interest by 5% in lieu of the \$435,785 thereby reducing its interest to 35%.

On October 23, 2017, Decade and the Company purchased a 1% NSR in the Red Cliff claims whereby the Company paid \$3,500 in cash and issued 34,286 common shares for the Company's 35% interest in the NSR.

As of November 30, 2022, the Company had a balance payable to Decade of \$34,419 (2021: \$24,286) for joint venture exploration costs on Red Cliff which was included in due to joint venture partner.

During the year ended November 30, 2022, the Company incurred \$27,533 (2021: \$35,101) in joint venture exploration costs to Decade on the Red Cliff property.

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

6. Exploration and Evaluation Assets – (continued)c) American Creek West Project (formerly Mountain Boy Silver Property)

The Company has a 100% interest in seven mineral claims located in the Skeena Mining Division in the Province of British Columbia.

The claims are subject to a 2% net smelter return royalty which may be purchased for \$1,000,000, or one half of it may be purchased for \$500,000.

On March 1, 2019, the Company entered into an option agreement to earn 100% interest in the Dorothy Property. To earn the 100% interest, over a four-year period the Company is to pay a total of \$120,000 to the optionors plus issue 800,000 common shares as purchase consideration.

	Cash		Shares		Cumulative Exploration Work Commitments	
5 days from TSXV approval	\$ 5,000	Paid	100,000	Issued	\$ -	
March 1, 2020	15,000	Paid	100,000	Issued	\$ 50,000	Met
March 1, 2021	25,000	Paid	150,000	Issued	\$ 125,000	Met
March 1, 2022	25,000	Paid	200,000	Issued	\$ 200,000	Met
March 1, 2023 ⁽¹⁾	50,000		250,000		\$ 500,000	Subsequently met
TOTAL	\$ 120,000		800,000			

⁽¹⁾ The Company and the optionors are currently working on ensuring the claims are in the proper names before making the cash and share payments.

On March 17, 2019, the Company entered into an option agreement to acquire a 100% interest in a portion of the Silver Crown property. Under the agreement with AUX Resources Corporation (“AUX”), the Company participated in an underlying option agreement, by which the two companies divide the property based on the relative areas, each taking portions adjacent to existing projects, with AUX being responsible for 15% of the payments to the underlying owners and the Company being responsible for 85% of the payments.

AUX and the Company, at the time the agreement was entered into, had one director in common with the decision on this agreement determined by the other directors. The underlying AUX option of the Silver Crown property is an arm's-length transaction.

In March 2021, the Company completed the acquisition of a 100% interest in a portion of the Silver Crown property by reimbursing AUX its 85% of the required \$120,000 cash payments and 500,000 common shares to the underlying owners. The underlying owners retain a 2% net smelter return royalty, of which one-half can be purchased for \$1 million until 90 days after the start of commercial production, with an advance royalty commencing in 2026.

d) Southmore Property

The Southmore property is located in the Skeena Mining Division in the Province of British Columbia. On August 23, 2019, the Company acquired 100% interest in this property through staking and a purchase agreement with a third party by issuing 160,000 common shares of the Company (issued).

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

6. Exploration and Evaluation Assets – (continued)e) Telegraph Property

On April 30, 2021, the Company entered into an option agreement to earn 60% interest in the Telegraph (DOK) Property. To earn the 60% interest, over a five-year period the Company is to pay a total of \$230,000 to the optionor, issue 1,500,000 common shares as purchase consideration to the optionor and incur a cumulative \$2,500,000 exploration work. The underlying owners of the property have a 3% NSR with the optionor having the right to purchase 2% of the NSR for \$2 million.

	Cash		Shares		Cumulative Exploration Work Commitments	
5 days from signing agreement	\$ 10,000	Paid			\$ -	
Upon the TSXV approval	-		100,000	Issued	\$ -	
January 15, 2022	20,000	Paid	200,000	Issued	\$ 150,000	Met
		Paid		Issued		
January 15, 2023	20,000	subsequently	200,000	subsequently	\$ 650,000	
January 15, 2024	50,000		200,000		\$ 1,150,000	
January 15, 2025	60,000		200,000		\$ 1,750,000	
January 15, 2026	70,000		600,000		\$ 2,500,000	
TOTAL	\$ 230,000		1,500,000			

On April 30, 2021, the Company entered into an option agreement to earn 100% interest in the Telegraph (DOKX-Yeti) Property. To earn the 100% interest, over a four-year period the Company is to pay a total of \$150,000 to the optionor, issue 500,000 common shares as purchase consideration to the optionor and incur a cumulative \$500,000 exploration work. The underlying owner of the property has a 1% NSR and the optionor has a 0.1% NSR. The Company has the right to buy back 0.5% NSR from the underlying owner for \$500,000 if cumulative \$500,000 exploration work has been met.

	Cash		Shares		Cumulative Exploration Work Commitments	
2 days from signing agreement	\$ 5,000	Paid			\$ -	
45 days from signing agreement	5,000	Paid	50,000	Issued	\$ -	
April 30, 2022	20,000	Paid	100,000	Issued	\$ 50,000	Met
April 30, 2023	25,000		100,000		\$ 150,000	
April 30, 2024	25,000		100,000		\$ 300,000	
April 30, 2025	70,000		150,000		\$ 500,000	
TOTAL	\$ 150,000		500,000			

On January 18, 2022, the Company acquired 100% interest in two additional tenures in the Telegraph Property from a vendor for \$4,000.

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

6. Exploration and Evaluation Assets – (continued)

f) Other Properties

Stro, Booze and George Copper Properties

The Company has a 100% interest in the Stro, Booze and George Copper mineral properties located in the Skeena Mining Division of British Columbia.

As part of the joint venture and option agreement on the Barbara property, the Company granted Great Bear Resources Ltd. the option to acquire up to a 70% interest in the Stro, Booze and George Copper properties. See Note 6(a) – Barbara (BA) and Surprise Creek Properties.

West George Copper Property

On August 30, 2017, the Company entered into an option agreement with AUX Resource Corporation (“AUX”) whereby the Company can earn a 60% interest in West George Copper property as follows:

- On signing, AUX received \$700,000 in portable assessment credits;
- \$10,000 cash (paid) and \$30,000 of work expenditures before the second anniversary (amended and extended to August 30, 2020 - met); and
- \$20,000 cash (paid) and \$50,000 of work expenditures (met) before the third anniversary.

The Company has earned a 60% interest in the George Copper West property, with AUX holding a 40% interest, carried through exploration, and a 2% royalty which is subject to buy-down provisions of 1% for \$1,000,000.

Manuel Creek Property

On December 9, 2016, the Company acquired a 100% interest in the Manuel Creek zeolite property located northeast of Keremeos, British Columbia for \$15,000.

The Company acquired two claims covering the Manuel Creek zeolite property for \$3,500 in April 2018.

On March 5, 2020, the Company signed an agreement to sell its interest in the Manuel Creek property for \$30,000. As of November 30, 2020, the Company received \$15,000 from this purchaser and has transferred the title to the purchaser while retaining a 3% net smelter royalty (“NSR”). The purchaser may purchase 2% NSR with each 1% of the NSR for an additional \$100,000. The remaining \$15,000 payment from the purchaser is due on or before March 5, 2022. The Company continues to follow up with the purchaser regarding this payment.

Theia Property

On December 12, 2020, the Company acquired, through staking and purchase, the Theia property, located in the Golden Triangle. The Company paid \$10,000 and issued 50,000 shares for the Rouge claim, with an NSR of 1.5% retained by the seller. This NSR may be purchased at any time for \$1,500,000. In addition, the Razzle and Dazzle claims group was purchased for \$12,500. All tenures are now held 100% by the Company.

g) British Columbia Mining Exploration Tax Credit (“BC METC”)

During the year ended November 30, 2022, the Company received BC METC of \$186,750 (November 30, 2021 - \$1,496) which is recorded as a reduction of exploration and development costs.

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

6. Exploration and Evaluation Assets – (continued)

	Barbara and Surprise Creek	Red Cliff	American Creek West	Southmore	Telegraph	Other Properties	Total
Property acquisition costs							
Balance November 30, 2021	\$ 2,129,995	\$ 201,974	\$ 1,179,982	\$ 35,876	\$ 52,000	\$ 102,619	\$ 3,702,446
Property payments	-	375,300	58,000	-	94,000	-	527,300
Balance November 30, 2022	2,129,995	577,274	1,237,982	35,876	146,000	102,619	4,229,746
Deferred exploration costs							
Balance November 30, 2021	4,921,623	5,313,007	4,588,238	222,741	298,633	531,850	15,876,092
Assays	-	-	3,480	-	14,027	-	17,507
Camp costs	72,581	-	33,511	4,424	174,933	4,269	289,718
Claim Fees and licenses	-	-	-	-	3,963	-	3,963
Community engagement	-	-	-	-	40,000	-	40,000
Data Processing	-	-	-	-	6,530	-	6,530
Drilling	-	1,000	4,375	-	1,194	-	6,569
Equipment rental	-	4,200	8,730	1,130	38,715	-	52,775
General and administration	-	-	-	-	1,473	-	1,473
Geological	50,607	18,150	43,406	34,408	389,679	30,637	566,887
Geophysics	-	-	-	-	153,603	-	153,603
Maps	7,500	-	-	-	68,938	-	76,438
Helicopter	63,544	-	48,980	-	421,962	13,905	548,391
Training	-	-	-	-	858	-	858
Labour	-	-	-	-	89,159	-	89,159
Permitting	1,230	-	240	240	550	240	2,500
Road clearing	-	-	1,500	-	-	-	1,500
Storage	51	-	5,345	-	239	-	5,635
Supplies and miscellaneous	-	3,500	5,616	-	39,587	-	48,703
Survey	-	683	-	-	30,579	-	31,262
Freight	-	-	389	-	1,322	-	1,711
	195,513	27,533	155,572	40,202	1,477,311	49,051	1,945,182
Balance November 30, 2022	5,117,136	5,340,540	4,743,810	262,943	1,775,944	580,901	17,821,274
Less:							
Mining tax credit BC METC	(45,453)	(303,997)	(77,884)	(18,853)	(34,270)	(9,987)	(490,444)
Total	\$ 7,201,678	\$ 5,613,817	\$ 5,903,908	\$ 279,966	\$ 1,887,674	\$ 673,533	\$ 21,560,576

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

6. Exploration and Evaluation Assets – (continued)

	Barbara and Surprise Creek	Red Cliff	American Creek West	Southmore	Telegraph	Other Properties	Total
Property acquisition costs							
Balance November 30, 2020	\$ 2,129,995	\$ 201,974	\$ 1,034,242	\$ 35,876	\$ -	\$ 59,619	\$ 3,461,706
Property payments	-	-	145,740	-	52,000	43,000	240,740
Balance November 30, 2021	2,129,995	201,974	1,179,982	35,876	52,000	102,619	3,702,446
Deferred exploration costs							
Balance November 30, 2020	4,569,116	5,277,906	3,357,097	47,583	-	443,616	13,695,318
Assays	-	8,026	132,566	-	-	-	140,592
Camp costs	109,807	1,293	115,354	323	25,935	12,220	264,932
Claim Fees and licenses	197	98	1,115	-	98	709	2,217
Community engagement	-	-	-	-	40,000	-	40,000
Drilling	-	-	384,286	-	-	-	384,286
Equipment rental	11,853	198	27,145	49	9,686	2,148	51,079
General and administration	548	175	1,940	-	1,034	155	3,852
Geological	98,795	12,403	218,439	17,125	108,874	52,956	508,592
Geophysics	321	-	20,055	-	40	101	20,517
Mineralogy	2,550	-	7,186	-	2,850	-	12,586
Helicopter	104,698	-	266,658	113,491	59,988	14,487	559,322
Labour	13,265	3,953	29,874	-	27,335	689	75,116
Biological	2,430	-	2,430	-	-	-	4,860
Road clearing	-	-	1,667	-	-	-	1,667
Survey	-	-	-	44,133	-	-	44,133
Staking	-	-	-	-	16,408	4,381	20,789
Storage	-	-	3,918	-	-	-	3,918
Supplies and miscellaneous	8,043	8,955	18,508	37	6,385	388	42,316
	352,507	35,101	1,231,141	175,158	298,633	88,234	2,180,774
Balance November 30, 2021	4,921,623	5,313,007	4,588,238	222,741	298,633	531,850	15,876,092
Less:							
Mining tax credit BC METC	-	(303,694)	-	-	-	-	(303,694)
Total	\$ 7,051,618	\$ 5,211,287	\$ 5,768,220	\$ 258,617	\$ 350,633	\$ 634,469	\$ 19,274,844

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

7. Share Capital

a) Authorized

Unlimited common shares without par value

b) Details of issuance of common shares

During the Year Ended November 30, 2022:

On December 30, 2021, the Company completed a non-brokered private placement by issuing 7,587,057 flow-through units ("FT Unit") at a price of \$0.17 per FT Unit for gross proceeds of \$1,289,800. Each FT Unit consists of one common share and one-half of one warrant for a total of 3,793,530 warrants issued. Each full warrant is exercisable at \$0.26 for two years expiring on December 30, 2023. The Company also completed a non-brokered private placement by issuing 882,353 units ("Units") at a price of \$0.17 per Unit for the gross proceeds of \$150,000. Each Unit consists of one common share and one-half of one share purchase warrant for a total of 441,177 warrants issued. Each full warrant is exercisable at \$0.20 for a period of two years expiring on December 30, 2023. The residual value of the warrants associated with the unit offering was \$84,694 or \$0.02 per warrant. In connection with the financing, the Company paid \$50,933 as a cash finder's fee and issued 303,104 finder's warrants exercisable at \$0.17 for two years expiring on December 30, 2023. The finder's warrants were ascribed with a value of \$25,158 using the Black-Scholes Option Pricing Model. The Company incurred another \$9,994 share issue costs. The Company did not record a flow-through premium liability for this private placement.

On January 14, 2022, the Company issued 200,000 common shares with a fair value of \$34,000 to the optionor for the DOK property (Note 6(e)).

On February 25, 2022, the Company issued 200,000 common shares with a fair value of \$33,000 to the optionors for the Dorothy property (Note 6(c)).

On April 29, 2022, the Company issued 100,000 common shares with a fair value of \$16,000 to the optionor for the DOKX-Yeti property (Note 6(e)).

On July 29, 2022, the Company completed a non-brokered private placement by issuing 8,333,334 non-flow-through units ("Unit") at a price of \$0.12 per Unit for gross proceeds of \$1,000,000. Each Unit consists of one common share and one common share purchase warrant for a total of 8,333,334 warrants issued. Each warrant is exercisable at \$0.12 for two years expiring on July 29, 2024. The residual value of the warrants associated with the unit offering was \$83,333 or \$0.01 per warrant.

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

7. Share Capital – (continued)b) Details of issuance of common shares – continued

On August 26, 2022, the Company completed a non-brokered private placement by issuing 5,841,667 flow-through units (“FT Unit”) at a price of \$0.12 per FT Unit for gross proceeds of \$701,000. Each FT Unit consists of one common share and one warrant for a total of 5,841,667 warrants issued. Each warrant is exercisable at \$0.18 for 29 months expiring on January 26, 2025. The Company also completed a non-brokered private placement by issuing 582,000 units (“Units”) at a price of \$0.12 per Unit for the gross proceeds of \$69,840. Each Unit consists of one common share and one common share purchase warrant for a total of 582,000 warrants issued. Each warrant is exercisable at \$0.12 for a period of two years expiring on August 26, 2024. The residual value of the warrants associated with the unit offering was \$64,237 or \$0.01 per warrant. In connection with the financing, the Company paid \$33,883 as a cash finder’s fee and issued 253,166 finder’s warrants exercisable at \$0.18 for 29 months expiring on January 26, 2025, and 29,190 finder’s warrants exercisable at \$0.12 for two years expiring on August 26, 2024. The finder’s warrants were ascribed with a value of \$12,405 for 253,166 finder’s warrants and \$1,518 for 29,190 finder’s warrants using the Black-Scholes Option Pricing Model. The Company incurred another \$16,821 share issue costs.

During the Year Ended November 30, 2021:

On December 23, 2020, the Company issued 50,000 common shares with a fair value of \$20,500 for the Rouge claim pursuant to the Theia property acquisition (Note 6(f)).

On February 26, 2021, the Company issued 150,000 common shares with a fair value of \$27,750 to the optionors for the Dorothy property (Note 6(c)).

On June 14, 2021, the Company issued 50,000 common shares with a fair value of \$10,500 to the optionor for the DOK property (Note 6(e)).

On June 22, 2021, the Company issued 100,000 common shares with a fair value of \$19,500 to the optionor for the DOKX-Yeti property (Note 6(e)).

The Company issued a total of 12,600 common shares for proceeds of \$3,150 pursuant to the exercise of finder’s warrants (Note 7(e)).

c) Warrants

A continuity of warrants for the year ended November 30, 2022 is as follows:

<u>Expiry date</u>	<u>Exercise price (\$)</u>	<u>November 30, 2021</u>	<u>Issued</u>	<u>Exercised</u>	<u>Expired</u>	<u>November 30, 2022</u>
July 7, 2022	0.40	4,000,000	-	-	(4,000,000)	-
November 16, 2023	0.60	1,575,000	-	-	-	1,575,000
December 30, 2023	0.26	-	3,793,530	-	-	3,793,530
December 30, 2023	0.20	-	441,177	-	-	441,177
July 29, 2024	0.12	-	8,333,334	-	-	8,333,334
August 26, 2024	0.12	-	582,000	-	-	582,000
January 26, 2025	0.18	-	5,841,667	-	-	5,841,667
Warrants outstanding		5,575,000	18,991,708	-	4,000,000	20,566,708
Weighted average exercise price (\$)		\$ 0.46	\$ 0.17	\$ -	\$ 0.40	\$ 0.20

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

7. Share Capital – (continued)c) Warrants – (continued)

The weighted average remaining life of the outstanding warrants as at November 30, 2022 is 1.63 years (2021 – 0.98 years).

A continuity of warrants for the year ended November 30, 2021 is as follows:

<u>Expiry date</u>	<u>Exercise price (\$)</u>	<u>November 30, 2020</u>	<u>Issued</u>	<u>Exercised</u>	<u>Expired</u>	<u>November 30, 2021</u>		
July 7, 2022	0.40	4,000,000	-	-	-	4,000,000		
November 16, 2023	0.60	1,575,000	-	-	-	1,575,000		
Warrants outstanding		5,575,000	-	-	-	5,575,000		
Weighted average exercise price (\$)	\$	0.46	\$	-	\$	-	\$	0.46

d) Share Purchase Option Compensation Plan

The Company has a stock option plan under which the maximum number of stock options available for grant cannot exceed 10% of the issued and outstanding common shares of the Company at the date of the grant. Stock options may be granted for a maximum term of five years and expire 90 days from termination of employment or holding office as a director or officer of the Company. Unless otherwise stated, stock options vest when granted.

A continuity of options for the year ended November 30, 2022 is as follows:

<u>Expiry date</u>	<u>Exercise price (\$)</u>	<u>November 30, 2021</u>	<u>Issued</u>	<u>Exercised</u>	<u>Expired / forfeited</u>	<u>November 30, 2022</u>		
July 10, 2023	0.40	2,160,000	-	-	(600,000)	1,560,000		
July 10, 2024	0.21	400,000	-	-	-	400,000		
March 17, 2025	0.25	250,000	-	-	-	250,000		
August 5, 2025 *	0.455	1,175,000	-	-	(50,000)	1,125,000		
September 14, 2026	0.21	550,000	-	-	(550,000)	-		
October 12, 2026	0.21	450,000	-	-	-	450,000		
March 23, 2027 *	0.17	-	1,230,000	-	(100,000)	1,130,000		
July 12, 2027	0.17	-	600,000	-	-	600,000		
Options outstanding		4,985,000	1,830,000	-	(1,300,000)	5,515,000		
Options exercisable		4,572,500	1,830,000	-	-	5,515,000		
Weighted average exercise price (\$)	\$	0.35	\$	0.17	\$	0.37	\$	0.30

* Subsequently, 40,000 options expired unexercised.

The weighted average remaining life of the outstanding options as at November 30, 2022 is 2.64 years (2021 – 2.91 years).

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

7. Share Capital – (continued)d) Share Purchase Option Compensation Plan – (continued)

A continuity of options for the year ended November 30, 2021 is as follows:

Expiry date	Exercise price (\$)	November 30, 2020	Issued	Exercised	Expired / forfeited	November 30, 2021
September 7, 2021	0.25	400,000	-	-	(400,000)	-
July 10, 2023	0.40	2,160,000	-	-	-	2,160,000
July 10, 2024	0.21	400,000	-	-	-	400,000
March 17, 2025	0.25	250,000	-	-	-	250,000
August 5, 2025	0.455	1,175,000	-	-	-	1,175,000
September 14, 2026	0.21	-	550,000	-	-	550,000
October 12, 2026	0.21	-	450,000	-	-	450,000
Options outstanding		4,385,000	1,000,000	-	(400,000)	4,985,000
Options exercisable		4,385,000	587,500	-	-	4,572,500
Weighted average exercise price (\$)		\$ 0.38	\$ 0.21	\$ -	\$ 0.25	\$ 0.35

The fair value of the stock options granted during the year ended November 30, 2022 was \$212,360 (2021 - \$124,988). The Company also recognized another \$16,927 share-based payment for options granted in an earlier period but vested during the current period. The following table summarizes the assumptions used in the Black-Scholes Option Pricing Model to estimate the fair value of the options:

	2022	2021
Risk-free interest rate	1.45% - 2.17%	1.30%
Expected stock price volatility	102.18% - 162.84%	125.55%
Expected option life in years	5 years	5 years
Expected dividend yield	Nil	Nil
Forfeiture rate	0.00%	0.00%
Share price on grant date	\$0.17	\$0.19

e) Finders' Warrants

A continuity of finders' warrants for the year ended November 30, 2022 is as follows:

Expiry date	Exercise price (\$)	November 30, 2021	Issued	Exercised	Expired	November 30, 2022
December 30, 2023	0.17	-	303,104	-	-	303,104
August 26, 2024	0.12	-	29,190	-	-	29,190
January 26, 2025	0.18	-	253,166	-	-	253,166
Warrants outstanding		-	585,460	-	-	585,460
Weighted average exercise price (\$)		\$ -	\$ 0.17	\$ -	\$ -	\$ 0.17

The weighted average remaining life of the outstanding finder's warrants as at November 30, 2022 is 1.58 years (2021 – Nil years).

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

7. Share Capital – (continued)

e) Finders' Warrants – (continued)

A continuity of finders' warrants for the year ended November 30, 2021 is as follows:

<u>Expiry date</u>	<u>Exercise price (\$)</u>	<u>November 30, 2020</u>	<u>Issued</u>	<u>Exercised</u>	<u>Expired</u>	<u>November 30, 2021</u>				
December 19, 2020	0.25	9,000	-	(9,000)	-	-				
July 7, 2021	0.25	72,780	-	(3,600)	(69,180)	-				
Warrants outstanding		81,780	-	(12,600)	(69,180)	-				
Weighted average exercise price (\$)	\$	0.25	\$	-	\$	0.25	\$	0.25	\$	-

The fair value of the finder's warrants issued during the year ended November 30, 2022 was \$39,081 (2021 - \$Nil). The following table summarizes the assumptions used in the Black-Scholes Option Pricing Model to estimate the fair value of the finder's warrants:

	<u>2022</u>	<u>2021</u>
Risk-free interest rate	0.48% - 1.04%	Nil
Expected stock price volatility	92.71% - 102.77%	Nil
Expected warrant life in years	2 - 2.42 years	Nil
Expected dividend yield	Nil	Nil
Share price on grant date	\$0.12 - \$0.18	Nil

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

8. Related Party Transactions

Payments to related parties were made in the normal course of operations and were recorded at the exchange amount which is the amount agreed to by the Company and the related party. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand. There are no commitments or guarantees associated with the outstanding balances.

Amounts in accounts payable:	Services for:	Years ended		As at	As at
		November 30 2022	November 30 2021	November 30 2022	November 30 2021
Lawrence Roulston	Management fee	\$ 180,000	\$ 145,000	\$ -	\$ -
Rene Bernard	Consulting fee	60,000	60,000	-	-
Dorian L. Nicol	Consulting fee	63,812	-	-	-
A private company controlled by a director of the Company ^(a)	Accounting, financing and management services	124,582	96,600	4,541	5,880
A private company controlled by a former officer of the Company ^(b)	Marketing services	-	46,000	-	-
A private company controlled by an officer of the Company ^(c)	Geological services	639,819	488,414	-	-
Total		\$ 1,068,212	\$ 836,014	\$ 4,541	\$ 5,880

(a) Mark T. Brown, a director of the Company, is the president of this private company.

(b) Nancy Curry, the Vice President Corporate Development, is the owner of this private company. Ms. Curry resigned on September 16, 2021.

(c) Lucia Theny, the Vice President Exploration effective April 23, 2019, is a co-owner of this private company where it employs several geologists to provide geological services to the Company.

Key management personnel compensation includes all compensation paid to executive management and members of the board of directors of the Company.

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

8. Related Party Transactions – (continued)

For the year ended November 30, 2022:

	Short-term employee benefits	Post- employment benefits	Other long- term benefits	Termination benefits	Other expenses	Share-based payments ⁽¹⁾	Total
Lawrence Roulston Chief Executive Officer, Director	\$180,000	\$Nil	\$Nil	\$Nil	\$Nil	\$6,462	\$186,462
Rene Bernard Director	\$60,000	\$Nil	\$Nil	\$Nil	\$Nil	\$32,309	\$92,309
Dorian L. Nicol Director	\$63,812	\$Nil	\$Nil	\$Nil	\$Nil	\$12,923	\$76,735
Winnie Wong Chief Financial Officer	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$12,923	\$12,923
Lucia Thery VP Exploration	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,462	\$6,462
Mark T. Brown Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,462	\$6,462
Ron Cannan Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,462	\$6,462
Ben Whiting Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,462	\$6,462
Total:	\$303,812	\$Nil	\$Nil	\$Nil	\$Nil	\$90,465	\$394,277

For the year ended November 30, 2021:

12-mo 11/30/2021:

	Short-term employee benefits	Post- employment benefits	Other long- term benefits	Termination benefits	Other expenses	Share-based payments ⁽¹⁾	Total
Lawrence Roulston Chief Executive Officer, Director	\$145,000	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$145,000
Rene Bernard Director	\$60,000	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$60,000
Dorian Nicol Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	63000	\$63,000

(1) Share-based payments are the fair values of the stock options granted during the years ended November 30, 2022 and 2021 calculated using the Black-Scholes Option Pricing Model (see Note 7(d)).

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

9. Non-Cash Transactions

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statements of cash flows. The following transactions were excluded from the statements of cash flows:

During the year ended November 30, 2022:

- a) The Company incurred exploration and evaluation costs of \$8,360 which are included in trade and other payables at November 30, 2022.
- b) The Company incurred exploration and evaluation costs of \$34,419 which are included in due to joint venture partner at November 30, 2022.
- c) The Company issued 200,000 common shares with a fair value of \$34,000 to the optionor for the DOK property (Note 6(e)).
- d) The Company issued 200,000 common shares with a fair value of \$33,000 to the optionors for the Dorothy property (Note 6(c)).
- e) The Company issued 100,000 common shares with a fair value of \$16,000 to the optionor for the DOKX-Yeti property (Note 6(e)).
- (e) The Company issued 585,460 finder's warrants with a Black-Scholes Option Pricing Model value of \$39,081 as share issue costs.

During the year ended November 30, 2021:

- a) The Company incurred exploration and evaluation costs of \$26,324 which are included in trade and other payables at November 30, 2021.
- b) The Company issued 150,000 common shares with a fair value of \$27,750 for an option payment on the Dorothy property.
- c) The Company issued 50,000 common shares with a fair value of \$20,500 for an acquisition payment on the Theia property.
- d) The Company issued 50,000 common shares with a fair value of \$10,500 for an option payment on the DOK property.
- e) The Company issued 100,000 common shares with a fair value of \$19,500 for an option payment on the DOKX-Yeti property.

10. Financial Instruments

The fair values of the Company's financial assets and liabilities approximate their carrying amounts because of their current nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

10. Financial Instruments – (continued)

The Company's financial instruments consist of cash and cash equivalents, marketable securities, reclamation bonds, trade and other payables and due to joint venture partner. Cash and cash equivalents and marketable securities are measured at fair value through profit and loss. Reclamation bonds are measured at amortized cost. Trade and other payables and due to joint venture partner are measured at amortized cost.

The fair value of the Company's cash and cash equivalents and marketable securities is measured using level one of the fair value hierarchy.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents are exposed to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's trade and other payables are all current and due within 90 days of the statement of financial position date. At November 30, 2022, the Company had a working capital surplus of \$522,511 which will provide sufficient capital to meet its short-term financial obligations.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments, and unfavourable markets conditions could result in dispositions of investments at less than favourable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in markets prices, such that changes in market prices results in a proportionate change in the carrying value of the Company's investments.

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

11. Income Taxes

The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

	<u>2022</u>	<u>2021</u>
Income (loss) before income taxes	\$ (1,397,158)	\$ (147,039)
Combined statutory tax rate	27.00%	27.00%
Expected income tax expense (recovery)	(377,200)	(40,000)
Permanent and other differences	565,300	711,000
Change in unrecognized deferred tax assets	<u>621</u>	<u>(1,306,000)</u>
Deferred income tax expense (recovery)	<u>\$ 188,721</u>	<u>\$ (635,000)</u>

Deferred Tax Assets and Liabilities

No deferred tax asset has been recognized in respect of the following losses and temporary differences as it is not considered probable that sufficient future taxable profit will allow the deferred tax to be recovered:

	<u>2022</u>	<u>2021</u>
Non-capital losses	\$ 1,472,500	\$ 1,271,000
Capital losses	140,000	140,000
Financing costs	44,500	31,000
Exploration and evaluation assets	(4,492,000)	(3,954,000)
Marketable securities	82,000	(52,000)
Deferred tax assets - unrecognized	<u>-</u>	<u>-</u>
Deferred tax liability - recognised	<u>\$ (2,753,000)</u>	<u>\$ (2,564,000)</u>

At November 30, 2022, the Company has estimated non-capital losses for income tax purposes of \$5,454,000 that may be carried forward to reduce taxable income in future taxation years.

The non-capital tax losses expire as follows:

2027	\$ 341,000
2029	296,000
2030	206,000
2031	538,000
2032	633,000
2033	296,000
2034	218,000
2035	162,000
2036	384,000
2037	429,000
2039	85,000
2040	577,000
2041	542,000
2042	<u>747,000</u>
	<u>\$ 5,454,000</u>

Mountain Boy Minerals Ltd.

Notes to the Financial Statements

For the years ended November 30, 2022 and 2021

(Expressed in Canadian dollars)

11. Income Taxes – (continued)

During the year ended November 30, 2022, the Company renounced \$1,289,800 (2021: \$2,925,800) of resource expenditures. Expenditures related to the use of flow-through share proceeds are included in exploration costs but are not available as a tax deduction to the Company as the tax benefits of these expenditures are renounced to the investors.

12. Capital Disclosures

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral properties, finance corporate overhead costs, meet obligations as they come due, and to maintain a flexible capital structure which optimizes the cost of capital within a framework at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, as well as cash. The Company has no earning and therefore has historically financed its acquisition and exploration activities and corporate overhead costs by the sale of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to maximize development efforts, the Company does not pay out dividends.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resources markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects. The Company is not subject to any externally imposed capital requirements.

13. Subsequent Event

On December 15, 2022, the Company completed a non-brokered private placement by issuing 10,362,324 flow-through units ("FT Unit") at a price of \$0.13 per FT Unit for gross proceeds of \$1,347,102. Each FT Unit consists of one common share and one share purchase warrant. Each full warrant is exercisable at \$0.18 for two years expiring on December 15, 2024. The Company also completed a non-brokered private placement by issuing 2,561,667 units ("Units") at a price of \$0.12 per Unit for the gross proceeds of \$307,400. Each Unit consists of one common share and one share purchase warrant. Each full warrant is exercisable at \$0.18 for a period of two years expiring on December 15, 2024. In connection with the financing, the Company paid \$99,510 as a cash finder's fee and issued 771,388 finder's warrants exercisable at \$0.12 for two years expiring on December 15, 2024.