

METALLIC MINERALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 AND 2021

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management and have been approved by the Audit Committee and the Board of Directors.

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

METALLIC MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	October 31, 2022	July 31, 2022
		\$	\$
ASSETS			
Current			
Cash		1,322,470	4,571,865
Receivables	4	235,759	104,576
Due from related parties	10b	598,707	50,000
Prepaid expenses and deposits	5	95,973	182,294
		<u>2,252,909</u>	4,908,735
Non-current			
Deposits	5	59,486	59,486
Exploration and evaluation assets	6	4,335,889	4,135,726
		<u>6,648,284</u>	9,103,947
LIABILITIES			
Current			
Accounts payable and accrued liabilities		228,726	402,475
Due to related parties	10b	45,742	232,243
		<u>274,468</u>	634,718
Non-current			
Reclamation deposit	8	60,000	60,000
		<u>334,468</u>	694,718
SHAREHOLDERS' EQUITY			
Share capital	9	38,296,762	37,593,061
Share-based payment reserve	9	3,004,783	3,444,612
Accumulated deficit		<u>(34,987,729)</u>	<u>(32,628,444)</u>
		<u>6,313,816</u>	8,409,229
		<u>6,648,284</u>	9,103,947

Nature of Operations and Going Concern – Note 1

Approved on behalf of the Board:

Gregor Hamilton, Director

Greg Johnson, Director

METALLIC MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 and 2021
(Unaudited - Expressed in Canadian Dollars)

	Note	<u>2022</u>	<u>2021</u>
		\$	\$
EXPENSES			
Consulting	10a	111,096	62,314
Exploration expenditures	7,10a	2,101,592	2,897,414
Investor relations and corporate development		93,019	86,202
Office and administration		31,848	17,579
Professional fees		80,091	13,938
Property evaluation		10,622	-
Share-based payment expense	9e,10a	204,015	248,814
Transfer agent, regulatory and filing fees		7,634	9,103
Travel and accommodation		472	-
		<u>(2,640,389)</u>	<u>(3,335,364)</u>
Other Items			
Interest and miscellaneous income		10,961	2,761
		<u>(2,629,428)</u>	<u>(3,332,603)</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD			
Basic and diluted loss per share		<u>(0.02)</u>	<u>(0.03)</u>
Weighted average number of shares outstanding		<u>149,721,603</u>	<u>130,985,459</u>

METALLIC MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian dollars)

	Note	Common shares number	Share Capital \$	Share-based payment reserve \$	Deficit \$	Total \$
Balance, July 31, 2021		129,664,975	30,909,690	3,240,035	(26,026,102)	8,123,623
Shares issued pursuant to exercise of warrants	9b	6,706,500	1,921,243	(228,098)	-	1,693,145
Share-based payment expense	9e	-	-	248,814	-	248,814
Reclassification of expired options		-	-	(551,081)	551,081	-
Net loss and comprehensive loss for the period		-	-	-	(3,332,603)	(3,332,603)
Balance, October 31, 2021		136,371,475	32,830,933	2,709,670	(28,807,624)	6,732,979
Private placements, net of issuance costs		11,071,000	4,249,452	346,840	-	4,596,292
Shares issued pursuant to exercise of options		187,824	61,045	(43,045)	-	18,000
Shares issued pursuant to exercise of warrants		1,281,981	451,631	(28,577)	-	423,054
Share-based payment expense		-	-	500,775	-	500,775
Reclassification of expired options		-	-	(40,729)	40,729	-
Reclassification of expired warrants		-	-	(322)	322	-
Net loss and comprehensive loss for the period		-	-	-	(3,861,871)	(3,861,871)
Balance, July 31, 2022		148,912,280	37,593,061	3,444,612	(32,628,444)	8,409,229
Shares issued pursuant to exercise of options	9b	446,154	321,333	(291,333)	-	30,000
Shares issued pursuant to exercise of warrants	9b	1,250,000	382,368	(82,368)	-	300,000
Share-based payment expense	9e	-	-	204,015	-	204,015
Reclassification of expired options	9e	-	-	(86,828)	86,828	-
Reclassification of expired warrants	9e	-	-	(183,315)	183,315	-
Net loss and comprehensive loss for the period		-	-	-	(2,629,428)	(2,629,428)
Balance, October 31, 2022		150,608,434	38,296,762	3,004,783	(34,987,729)	6,313,816

METALLIC MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

	Note	2022	2021
		\$	\$
OPERATING ACTIVITIES			
Net loss for the period		(2,629,428)	(3,332,603)
Items not involving cash			
Share-based payment expense	9e	204,015	248,814
		(2,425,413)	(3,083,789)
Net change in non-cash working capital items	11	(953,819)	141,030
Cash used in operating activities		(3,379,232)	(2,942,759)
INVESTING ACTIVITY			
Acquisition of exploration and evaluation assets	7	(200,163)	(87,045)
FINANCING ACTIVITIES			
Proceeds on exercise of options	9b	30,000	-
Proceeds on exercise of warrants	9b	300,000	1,693,145
Cash provided by financing activities		330,000	1,693,145
NET CHANGE IN CASH		(3,249,395)	(1,336,659)
Cash, beginning of period		4,571,865	4,023,315
CASH, END OF PERIOD		1,322,470	2,686,656

Supplemental cash flow information (Note 11)

METALLIC MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Metallic Minerals Corp. (the "Company") was incorporated under the laws of British Columbia on May 3, 2007. The Company was registered as an extra-territorial corporation under the Business Corporations Act (Yukon) on July 10, 2009. The Company is involved in activities that include the acquisition and exploration of mineral properties. The Company's head office is located at 904 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2. The Company is a reporting issuer and trades on the TSX Venture Exchange in Canada under the symbol "MMG" and the US OTCQB Exchange under the symbol "MMNGF".

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, 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 ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve profitable operations. The Company has sustained losses from operations and has an ongoing requirement for capital investment to acquire and explore its mineral properties.

The Company incurred a net loss of \$2,629,428 for the three months ended October 31, 2022 (2021: \$3,332,603), and as of that date had an accumulated deficit of \$34,987,729 (July 31, 2022: \$32,628,444). At October 31, 2022, the Company had a total of \$2,252,909 of current assets (July 31, 2022: \$4,908,735) and a working capital of \$1,978,441 (July 31, 2021: \$4,274,017).

While the Company has been successful in obtaining the necessary financing to cover its corporate operating costs and advance the development of its projects through the issuance of common shares and the exercise of warrants in the past, there is no assurance it will be able to raise funds in this manner in the future. There remain material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

The Company's condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended July 31, 2022, which have been prepared in accordance with IFRS.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended July 31, 2022.

These consolidated financial statements were approved by the Board of Directors on December 30, 2022.

Basis of Consolidation

The condensed interim consolidated financial statements include the results or financial information of Metallic Minerals Corp. and its wholly-owned subsidiaries listed in the following table:

Name	Country of incorporation
536386 Yukon Inc.	Canada
1219166 B.C. Ltd.	Canada
Metallic Minerals USA Inc.	USA

METALLIC MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 AND 2021

(Unaudited - Expressed in Canadian dollars)

A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. All intercompany balances and transactions have been eliminated upon consolidation.

3. USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended July 31, 2022.

4. RECEIVABLES

The receivables balance as at October 31, 2022 and July 31, 2022 is comprised of the following:

	October 31, 2022	July 31, 2022
	\$	\$
GST receivable	84,959	103,776
Other	150,800	800
	235,759	104,576

5. PREPAID EXPENSES AND DEPOSITS

The prepaid expenses and deposits balance as at October 31, 2022 and July 31, 2022 is comprised of the following:

	October 31, 2022	July 31, 2022
	\$	\$
Prepaid expenses	34,733	67,944
Deposits	120,726	173,836
	155,459	241,780
Less: non-current portion	(59,486)	(59,486)
	95,973	182,294

At October 31, 2022 and July 31, 2021, prepaid expenses included various prepaid amounts for filing fees, memberships and subscriptions, insurance and legal retainers.

During the year ended July 31, 2021 the Company engaged GoldSpot Discoveries Corp. (now EarthLabs Inc.) an arm's length party, to assist in the Company's exploration programs by utilizing its proprietary technology including artificial intelligence. A payment of \$280,000 was made upon engagement and to date invoices of \$218,760 have been drawn down on the advance.

As at July 31, 2022, there are deposits of \$28,750 in relation to the Company's exploration programs and a deposit of \$30,736 has been made in relation to a corporate credit card.

METALLIC MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

A summary of the changes in exploration and evaluation acquisition costs is presented below:

	Keno Silver Project	La Plata Project	McKay Hill Project	Klondike Gold Project	Total
	\$	\$	\$	\$	\$
Balance, July 31, 2022	1,053,659	2,303,186	27,890	750,991	4,135,726
Cash payments	-	35,438	-	-	35,438
Licensing and maintenance	-	109,861	-	-	109,861
Staking	-	-	-	54,864	54,864
Balance, October 31, 2022	1,053,659	2,448,485	27,890	805,855	4,335,889

KENO SILVER PROJECT

The Company's 100% owned flagship Keno Silver project, located in the Keno Hill silver district of Canada's Yukon Territory, comprises 171 km² including the Keno-Lightning, Keno Summit, Gram, Cobalt Hill, Keno-East, Duncan Creek, Sourdough Hill, Formo and Silver Queen properties. The Keno Silver project directly adjoins Hecla Mining's Keno Hill operations which are undergoing final mine commissioning and start-up.

Keno-Lightning Property

The Keno-Lightning property, which includes Homestake, is the largest property within the Keno Silver project and is subject to a 3% Net Smelter Royalty ("NSR"). The Company has the option to buy back up to 2% of this NSR. The Company acquired additional mining claims during the year ended July 31, 2022 for consideration of \$218,000 in value.

Keno Summit Property

The Company owns 100% of 17 claims and five leases on the Keno Summit property. Nine claims are subject to the same NSR as the Gram property, seven claims and two leases are subject to the same NSR as the Silver Queen property, three leases are subject to the same NSR as the Formo property and one claim is not subject to an NSR.

Gram Property

The Company owns 100% of the Gram property which consists of 42 claims covering approximately 8.7 km² on the east side of the Keno Hill silver district. The Gram property is subject to a 2% NSR for precious metals and a 1% NSR for base metals and the Company has the option to buy back the full NSR.

Cobalt Hill Property

The Company owns 100% of the Cobalt Hill property covering 4.2 km² that are contiguous with the eastern end of the Keno-Lightning property in the Keno Hill silver district. Cobalt Hill is subject to a 3% NSR and the Company has the option to buy back up to 1.5% of this NSR.

Keno-East Property

The Company staked additional ground in the Keno-East target area, which covers the eastern and southern extension of the Keno Hill silver district. The Company owns 100% of these claims and are not subject to any NSR.

Duncan Creek Property

The Duncan Creek property was staked by the Company in January 2017 along with other claims totaling approximately 30.2 km². The Company owns 100% of the Duncan Creek claims and they are not subject to any NSR.

METALLIC MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

Sourdough Hill Property

The Company acquired 100% of the Sourdough Hill property during the year ended July 31, 2022 for consideration of \$327,600 in value. The property includes 30 mining claims in the Keno Hill silver district. The property is subject to a 3% NSR and the Company has the option to buy back up to 1.5% of this NSR.

Formo Property

The Company owns 100% of 16 mining leases in the Keno Hill silver district. The Formo property is subject to a 2% NSR for precious metals and a 1% NSR for base metals. The Company has an option to buy back the full NSR.

Silver Queen Property

The Company owns 100% of the Silver Queen property which consists of 20 claims primarily on the western end of the Keno Hill silver district. The Silver Queen property is subject to a 2% NSR and the Company has the option to buy back the full NSR.

LA PLATA PROJECT

Pursuant to an option agreement dated September 10, 2019, as amended, the Company acquired an option to acquire a 100% interest in the La Plata silver-gold-copper property in southwest Colorado from two arms-length vendors. The road accessible La Plata property, which is approximately 10 km northeast of the town of Mancos, Colorado, covers approximately 33 km² in the historic high-grade La Plata mining district.

In order to earn the 100% interest in the La Plata property, the Company has the following commitments:

- Issue 1,250,000 units to each of the two Shareholders of the optionor within 10 days of receipt of final Exchange approval of the Option Agreement. 2,500,000 units were issued on September 26, 2019 with each warrant having an exercise price of \$0.24. The units were valued at \$582,368;
- Issue 1,250,000 units to each of the two Shareholders of the optionor 30 days after a plan of operations permit is issued for the property. On July 28, 2021 the agreement was amended to deem the date of issuance of the plan of operations permit for these units to be July 15, 2021 with 2,500,000 units issued on July 29, 2021 with each warrant having an exercise price of \$0.62. The units were valued at \$1,312,956;
- Issue 1,250,000 units to each of the two Shareholders of the optionor on or before the first anniversary that the plan of operations permit is actually issued for this property;
- Issue 1,250,000 units to each of the two Shareholders of the optionor on or before the second anniversary that the plan of operations permit is actually issued for this property; and
- Pay US\$250,000 to each of the two Shareholders of the optionor on or before the third anniversary that the plan of operations permit is actually issued for this Property and 90 days after the completion of a preliminary economic assessment on the property.

Upon issuance, each of the units will comprise one common share and one-half of a share purchase warrant, with each full warrant exercisable into one common share of the Company for a period of 36 months from issuance at an exercise price equal to 120% of the 20-day volume weighted average trading price of the Company's common shares on the TSX-V on the business day immediately preceding the date of issuance.

The La Plata property will be subject to a 2% NSR and the Company will have the ability to buy down the NSR to 1.5%. Certain other patented claims are subject to a total 1.5% NSR.

METALLIC MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

MCKAY HILL PROJECT

The Company has a 100% interest in the McKay Hill project, which covers approximately 44 km² and is located northeast of the Keno Silver project in the Yukon Territory. The property is subject to a 3% NSR and the Company has the option to buy back up to 2% of this NSR.

Silver Hill Property

The Company owns a 100% interest in 10.7 km² of claims 15 km north of the McKay Hill property. The property is not subject to any NSR and is managed along with the McKay Hill project.

KLONDIKE GOLD PROJECT – ROYALTY PORTFOLIO

The Company's alluvial properties are located on tributaries of the Indian River in the Klondike gold district near Dawson City, Yukon and comprise Australia, Dominion and Melba Creeks. The Company also owns alluvial claims that are managed along with the Klondike Gold project at California Creek east of Dawson City and in the Keno Hill silver district at McKim, Allen, Faith and East Granite Creeks.

During the year ended July 31, 2022, the Company acquired 235 additional placer gold claims in the Keno Silver district for \$58,898 as well as acquiring an alluvial mining lease on Australia Creek for consideration of \$105,000 in value.

Australia Creek Property

On September 7, 2017, and amended on December 29, 2017, the Company entered into an option agreement to acquire a 100% interest from underlying claim holders in approximately 26 miles (42 km) of mining rights and 18 miles (29 km) of bench claims along the Australia Creek drainage (the "Australia Creek Property"), a tributary to the Indian River, in the Klondike gold district near Dawson City, Yukon. One of the Vendors is a related party as a director of the Company.

The Company completed the earn in of their 100% interest during the year ended July 31, 2020 by paying \$37,500 cash and issuing 200,000 common shares on March 31, 2020 (valued at \$30,000) to one vendor and paying cash of \$15,000 to the other vendor.

Under the Australia Creek option agreement, the vendors will receive a 4% royalty on all alluvial gold production from the Company and the Company has the ability to buy back the royalty.

The Company has entered into two production royalty agreements as follows:

- A production royalty agreement with respect to an approximately 2-mile portion of the Australia Creek Property ("Lower Australia Creek"). The Company has given an arms-length alluvial mining operator (the "Operator") an exclusive right to mine Lower Australia Creek, in exchange for a 10% royalty on all gold production payable to the Company; and
- A production royalty agreement covering four additional miles of valley bottom and bench alluvial claims in two blocks of its Australia Creek Property with an experienced alluvial mining operator in exchange for a 12% royalty on all gold production. This portion of the property is fully permitted for full scale production mining allowing for production to proceed following completion of test work.

Dominion Creek Property

The Company has a 100% interest in 10 claims of mining rights along a bench of Dominion Creek, a tributary to the Indian River, in the Klondike gold district near Dawson City, Yukon. The Company has a production royalty agreement with respect to these claims under which the Company has granted exclusive mining rights to the Operator in exchange for a 15% royalty on all gold production.

METALLIC MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

7. EXPLORATION EXPENDITURES

A summary of the exploration expenditures incurred for the three months ended October 31, 2022 is presented below:

	Keno Silver Project	La Plata Project	McKay Hill Project	Klondike Gold Project	Total
	\$	\$	\$	\$	\$
Analysis	24,520	15,025	-	-	39,545
Camp costs	119,862	868	-	1,582	122,312
Consulting	337,578	124,973	109	25,396	488,056
Drilling	388,564	669,327	-	-	1,057,891
Equipment and communication	20,307	5,672	-	-	25,979
Fuel	59,789	683	-	708	61,180
Geophysics	65,507	-	-	-	65,507
Helicopter	148,265	-	-	43,546	191,811
Lands and permitting	1,195	7,595	-	11,964	20,754
Transportation and travel	20,360	4,462	-	3,735	28,557
	1,185,947	828,605	109	86,931	2,101,592

A summary of the exploration expenditures incurred for the three months ended October 31, 2021 is presented below:

	Keno Silver Project	La Plata Project	McKay Hill Project	Klondike Gold Project	Total
	\$	\$	\$	\$	\$
Analysis	89,947	63,690	-	-	153,637
Camp costs	89,196	616	-	-	89,812
Consulting	630,617	124,064	-	38,966	793,647
Drilling	792,168	193,201	-	-	985,369
Equipment and communication	31,310	5,090	-	-	36,400
Fuel	112,620	633	-	-	113,253
Geophysics	-	39,713	-	-	39,713
Helicopter	616,848	-	-	-	616,848
Lands and permitting	341	33,175	-	2,261	35,777
Transportation and travel	28,443	2,470	-	2,045	32,958
	2,391,490	462,652	-	43,272	2,897,414

METALLIC MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

8. RECLAMATION DEPOSIT

During the year ended July 31, 2021, the Company received \$60,000 from a production royalty agreement (Note 6) representing a refundable reclamation deposit. The deposit is refundable once mining activities have been completed on the property and reclamation as set forth within the agreement have been completed.

9. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value.

b) Share issuance details

Three months ended October 31, 2022

- The Company issued 100,000 common shares pursuant to the exercise of 100,000 options with an exercise price of \$0.30 per share for total gross proceeds of \$30,000. The share price on the date of exercise was \$0.36. An additional total of 1,400,000 options were exercised using Share Appreciation Rights ("SAR") and 346,154 common shares were issued.
- The Company issued 1,250,000 common shares pursuant to the exercise of share purchase warrants with a weighted average exercise price of \$0.24 per share for gross proceeds of \$300,000. The weighted average share price on the date of exercise was \$0.27.

Three months ended October 31, 2021

- The Company issued 6,706,500 common shares pursuant to the exercise of share purchase warrants with a weighted average exercise price of \$0.25 per share for gross proceeds of \$1,693,145. The weighted average share price on the date of exercise was \$0.40.

c) Stock options

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price
		\$
Balance, July 31, 2021	12,418,000	0.38
Granted	3,485,000	0.41
Exercised	(300,000)	0.21
Expired	(2,400,000)	0.45
Balance, July 31, 2022	13,203,000	0.38
Exercised	(1,500,000)	0.30
Cancelled	(225,000)	0.60
Balance, October 31, 2022	11,478,000	0.39
Exercisable, October 31, 2022	8,523,000	0.38

METALLIC MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

The following stock options were outstanding as at October 31, 2022:

Outstanding	Exercisable	Weighted average exercise price	Expiry date	Weighted average remaining life (in years)
		\$		
195,000	195,000	0.60	February 13, 2023	0.29
760,000	760,000	0.60	April 9, 2023	0.44
1,600,000	1,600,000	0.18	February 28, 2024	1.33
818,000	818,000	0.18	August 8, 2024	1.77
1,600,000	1,600,000	0.22	May 8, 2025	2.52
750,000	750,000	0.43	June 22, 2025	2.64
2,170,000	2,170,000	0.60	January 12, 2026	3.20
100,000	100,000	0.65	April 30, 2026	3.50
1,590,000	530,000	0.41	March 29, 2027	4.41
1,895,000	-	0.41	May 5, 2027	4.51
11,478,000	8,523,000	0.39		2.86

d) Warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
		\$
Balance, July 31, 2021	20,652,548	0.45
Issued	5,535,500	0.50
Exercised	(7,988,481)	0.26
Expired	(11,000)	0.33
Balance, July 31, 2021	18,188,567	0.54
Exercised	(1,250,000)	0.24
Expired	(380,625)	0.40
Balance, October 31, 2022	16,557,942	0.57

The following warrants were outstanding as at October 31, 2022:

Outstanding	Exercise price	Expiry date	Weighted average remaining life (in years)
	\$		
184,942	0.77	November 26, 2022	0.07
9,587,500	0.60	February 13, 2023	0.29
1,250,000	0.62	July 29, 2024	1.75
4,800,000	0.50	December 8, 2024	2.11
735,500	0.50	December 30, 2024	2.17
16,557,942	0.57		1.01

Subsequent to October 31, 2022, a total of 184,942 warrants with an exercise price of \$0.77 expired unexercised.

METALLIC MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

e) Share-based payment expense and reserve

During the three months ended October 31, 2022 and 2021, the Company did not grant any stock options.

During the three months October 31, 2022, total share-based payment expense was \$204,015 (2021: \$248,814) in respect of the vesting of previously granted options was recorded in profit or loss.

During the three months ended October 31, 2022, the Company reclassified \$86,828 (2021: \$551,081) from share-based payments reserve to deficit with respect to options that were cancelled during the period and \$183,315 (2021: \$nil) with respect to warrants that expired during the period.

10. RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Executive Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and are reviewed and approved by the Company's Board. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

In addition to key management personnel, the Company transacted with the following related parties during the three months ended October 31, 2022 and 2021:

- TruePoint Exploration Inc. ("TruePoint") is a privately held exploration service company that provides exploration and administrative services to the Company as well as other exploration companies. Costs covered by TruePoint include exploration expenditures (technical work on projects such as drilling, sampling and geophysics), consulting, investor relations, corporate development costs, and other admin costs. Greg Johnson, CEO of the Company is a minority shareholder of TruePoint.

Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described below.

a) Related Party Transactions

Related party transactions for the three months ended October 31, 2022 and 2021 were as follows:

		<u>2022</u>	<u>2021</u>
Consulting fees	1	102,140	50,738
Share-based payments	2	78,805	50,715
Transactions with TruePoint	3	1,342,388	2,581,397
		<u>1,523,333</u>	<u>2,682,850</u>

¹ Consulting fees for the three months ended October 31, 2022 and 2021 consisted of fees earned by key management personnel.

² Share-based payment expense is a non-cash item that consisted of the fair value of stock options that were granted to key management personnel.

³ Transactions with TruePoint for the three months ended October 31, 2022 consisted of exploration expenditures (\$1,301,072) and investor relations and corporate development fees (\$41,316).

METALLIC MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

b) Related Party Balances

The Company's related party balances consisted of the following:

		October 31, 2022	July 31, 2022
Current assets		\$	\$
Due from TruePoint	1	548,707	-
Due from Greg Johnson	2	50,000	50,000
		598,707	50,000
Current liabilities			
Due to TruePoint	1	-	144,286
Due to Greg Johnson		30,000	71,436
Due to Scott Petsel		15,742	16,521
		45,742	232,243

¹ This amount was net of cash advances made to TruePoint offset by charges from TruePoint.

² This amount relates to an expense advance as at October 31, 2022 and July 31, 2022.

Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

11. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the three months ended October 31, 2022 and 2021 consisted of the following:

	2022	2021
	\$	\$
Receivables	(131,183)	20,779
Due to/from related parties	(735,208)	(13,603)
Prepaid expenses and deposits	86,321	79,621
Accounts payable and accrual liabilities	(173,749)	54,233
	(953,819)	141,030

The non-cash financing and investing transactions for the three months ended October 31, 2022 consisted of the Company issuing 346,154 common shares pursuant to the exercise of 1,400,000 options using SARs.

12. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, due to related parties, accounts payable and accrued liabilities and due to related parties. The Company has classified its financial instruments as amortized cost.

As at October 31, 2022, the Company believes the carrying values of cash, receivables, accounts payable and accrued liabilities, due to related parties and short-term loans approximate their fair values due to the short period to maturity.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. There have been no changes in any risk management policies since July 31, 2022.

METALLIC MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

13. SEGMENTED INFORMATION

The Company has one operating segment, acquisition, exploration and development of mineral properties. The table below shows consolidated data by geographic segment based on location:

	October 31, 2022	July 31, 2022
	\$	\$
Non-current assets by geographic segment		
Canada	1,946,890	1,892,026
United States	2,448,485	2,303,186
	<u>4,395,375</u>	<u>4,195,212</u>

14. COMMITMENTS

As a result of the issuance of flow-through units on June 8, 2022 and June 30, 2022, the Company has a commitment to incur \$4,387,320 in qualifying Canadian exploration expenditures prior to December 31, 2023. As at October 31, 2022, the Company had incurred \$2,802,507 of those qualifying exploration expenditures.