

# **METALLIC MINERALS CORP.**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND  
2022**

**(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	April 30, 2023 \$	July 31, 2022 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash		215,812	4,571,865
Receivables	4	21,032	104,576
Deferred financing costs	9, 15	26,750	-
Due from related parties	10b	826,917	50,000
Prepaid expenses and deposits	5	78,310	182,294
		<b>1,168,821</b>	4,908,735
<b>Non-current</b>			
Deposits	5	59,486	59,486
Gold investment	6	216,550	-
Exploration and evaluation assets	6	4,452,546	4,135,726
		<b>5,897,403</b>	9,103,947
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		140,396	402,475
Due to related parties	10b	49,451	232,243
		<b>189,847</b>	634,718
<b>Non-current</b>			
Reclamation deposit	8	-	60,000
		<b>189,847</b>	694,718
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	38,365,512	37,593,061
Share-based payment reserve	9	2,956,751	3,444,612
Accumulated deficit		<b>(35,614,707)</b>	(32,628,444)
		<b>5,707,556</b>	8,409,229
		<b>5,897,403</b>	9,103,947

Nature of Operations and Going Concern – Note 1  
Subsequent event – Note 15

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 AND NINE MONTHS ENDED APRIL 30, 2023 and 2022**  
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended April 30,		Nine months ended April 30,	
		2023	2022	2023	2022
		\$	\$	\$	\$
<b>EXPENSES</b>					
Consulting	10a	115,142	96,916	337,013	221,835
Exploration expenditures	7,10a	174,097	228,415	2,251,583	3,527,551
Investor relations and corporate development		127,357	49,206	317,474	286,234
Office and administration		14,224	5,297	63,185	32,882
Professional fees		20,451	16,785	113,472	52,164
Property evaluation		-	-	10,622	436
Share-based payment expense	9e,10a	212,690	117,535	508,883	488,041
Transfer agent, regulatory and filing fees		15,626	19,532	38,739	47,005
Travel and accommodation		867	2,075	1,980	7,920
		<b>(680,454)</b>	<b>(535,761)</b>	<b>(3,642,951)</b>	<b>(4,664,068)</b>
<b>Other Items</b>					
Interest and miscellaneous income		1,036	1,101	18,991	4,518
Unrealized gain on gold investment	6	11,779	-	14,654	-
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>					
		<b>(667,639)</b>	<b>(534,660)</b>	<b>(3,609,306)</b>	<b>(4,659,550)</b>
<b>Basic and diluted loss per share</b>					
		<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.02)</b>	<b>(0.03)</b>
<b>Weighted average number of shares outstanding</b>					
		<b>150,883,434</b>	<b>137,821,259</b>	<b>150,452,615</b>	<b>135,413,069</b>

**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 \$
<b>Balance, July 31, 2021</b>		<b>129,664,975</b>	<b>30,909,690</b>	<b>3,240,035</b>	<b>(26,026,102)</b>	<b>8,123,623</b>
Shares issued pursuant to exercise of options	9b	187,824	61,045	(43,045)	-	18,000
Shares issued pursuant to exercise of warrants	9b	7,988,481	2,372,874	(256,675)	-	2,116,199
Share-based payment expense	9e	-	-	488,041	-	488,041
Reclassification of expired options	9e	-	-	(591,810)	591,810	-
Reclassification of expired warrants	9e	-	-	(322)	322	-
Net loss and comprehensive loss for the period		-	-	-	(4,659,550)	(4,659,550)
<b>Balance, April 30, 2022</b>		<b>137,841,280</b>	<b>33,343,609</b>	<b>2,836,224</b>	<b>(30,093,520)</b>	<b>6,086,313</b>
Private placements, net of issuance costs		11,071,000	4,249,452	346,840	-	4,596,292
Share-based payment expense		-	-	261,548	-	261,548
Net loss and comprehensive loss for the period		-	-	-	(2,534,924)	(2,534,924)
<b>Balance, July 31, 2022</b>		<b>148,912,280</b>	<b>37,593,061</b>	<b>3,444,612</b>	<b>(32,628,444)</b>	<b>8,409,229</b>
Shares issued for properties	6,9b	275,000	68,750	-	-	68,750
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	-	-	508,883	-	508,883
Reclassification of expired options	9e	-	-	(394,171)	394,171	-
Reclassification of expired warrants	9e	-	-	(228,872)	228,872	-
Net loss and comprehensive loss for the period		-	-	-	(3,609,306)	(3,609,306)
<b>Balance, April 30, 2023</b>		<b>150,883,434</b>	<b>38,365,512</b>	<b>2,956,751</b>	<b>(35,614,707)</b>	<b>5,707,556</b>

**METALLIC MINERALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 and 2022**  
(Unaudited - Expressed in Canadian dollars)

		Three months ended		Nine months ended	
	Note	2023	April 30, 2022	2023	April 30, 2022
		\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>					
Net loss for the period		(667,639)	(534,660)	(3,609,306)	(4,659,550)
Items not involving cash					
Reclamation deposit	6	(60,000)	-	(60,000)	-
Gold investment	6	-	-	(201,896)	-
Unrealized gain on gold investment	6	(11,779)	-	(14,654)	-
Share-based payment expense	9e	212,690	117,535	508,883	488,041
		(526,728)	(417,125)	(3,376,973)	(4,171,509)
Net change in non-cash working capital items	11	361,889	(106,735)	(1,061,010)	(216,188)
<b>Cash used in operating activities</b>		<b>(164,839)</b>	<b>(523,860)</b>	<b>(4,437,983)</b>	<b>(4,387,697)</b>
<b>INVESTING ACTIVITY</b>					
Acquisition of exploration and evaluation assets	7	-	(40,225)	(248,070)	(130,070)
<b>FINANCING ACTIVITIES</b>					
Proceeds on exercise of options	9b	-	-	30,000	18,000
Proceeds on exercise of warrants	9b	-	-	300,000	2,116,199
<b>Cash provided by financing activities</b>		<b>-</b>	<b>-</b>	<b>330,000</b>	<b>2,134,199</b>
<b>NET CHANGE IN CASH</b>		<b>(164,839)</b>	<b>(564,085)</b>	<b>(4,356,053)</b>	<b>(2,383,568)</b>
Cash, beginning of period		380,651	2,203,832	4,571,865	4,023,315
<b>CASH, END OF PERIOD</b>		<b>215,812</b>	<b>1,639,747</b>	<b>215,812</b>	<b>1,639,747</b>

Supplemental cash flow information (Note 11)

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**  
(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 \$3,609,306 for the nine months ended April 30, 2023 (2022: \$4,659,550), and as of that date had an accumulated deficit of \$35,614,707 (July 31, 2022: \$32,628,444). At April 30, 2023, the Company had a total of \$1,168,821 of current assets (July 31, 2022: \$4,908,735) and a working capital of \$978,974 (July 31, 2022: \$4,274,017).

Subsequent to April 30, 2023, the Company completed a strategic equity investment by a wholly-owned subsidiary of Newcrest Mining Limited (“Newcrest”) , where the Company issued 15,838,593 units at a price of \$0.40 per unit for gross proceeds of approximately \$6,300,000 (Note 15).

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 June 29, 2023.

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**

(Unaudited - Expressed in Canadian dollars)

**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

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 April 30, 2023 and July 31, 2022 is comprised of the following:

	<b>April 30, 2023</b>	<b>July 31, 2022</b>
	\$	\$
GST receivable	20,232	103,776
Other	800	800
	<b>21,032</b>	<b>104,576</b>

**5. PREPAID EXPENSES AND DEPOSITS**

The prepaid expenses and deposits balance as at April 30, 2023 and July 31, 2022 is comprised of the following:

	<b>April 30, 2023</b>	<b>July 31, 2022</b>
	\$	\$
Prepaid expenses	55,072	67,944
Deposits	82,724	173,836
	137,796	241,780
Less: non-current portion	(59,486)	(59,486)
	<b>78,310</b>	<b>182,294</b>

At April 30, 2023 and July 31, 2022, prepaid expenses included various prepaid amounts for filing fees, memberships and subscriptions, corporate development, insurance and legal retainers.



**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**  
(Unaudited - Expressed in Canadian dollars)

During the year ended July 31, 2021 the Company engaged EarthLabs Inc (formerly GoldSpot Discoveries Corp.) 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 \$263,240 have been drawn down on the advance.

As at July 31, 2022 and April 30, 2023, 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.

**6. EXPLORATION AND EVALUATION ASSETS**

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

	<b>Keno Silver Project</b>	<b>La Plata Project</b>	<b>McKay Hill Project</b>	<b>Klondike Gold Project</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance, July 31, 2022</b>	<b>1,053,659</b>	<b>2,303,186</b>	<b>27,890</b>	<b>750,991</b>	<b>4,135,726</b>
Cash payments	-	83,345	-	-	83,345
Licensing and maintenance	-	109,861	-	-	109,861
Staking	-	-	-	54,864	54,864
Shares issued	-	68,750	-	-	68,750
<b>Balance, April 30, 2023</b>	<b>1,053,659</b>	<b>2,565,142</b>	<b>27,890</b>	<b>805,855</b>	<b>4,452,546</b>

**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 km<sup>2</sup> 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 km<sup>2</sup> 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 km<sup>2</sup> 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.

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**  
(Unaudited - Expressed in Canadian dollars)

---

**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 km<sup>2</sup>. The Company owns 100% of the Duncan Creek claims and they are not subject to any NSR.

**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 44 km<sup>2</sup> 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

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**  
(Unaudited - Expressed in Canadian dollars)

---

- 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.

In October and November 2022, the Company acquired 100% interest in 8 patented mineral claims within the La Plata mining district in southwest Colorado. The claims are surrounded by, and contiguous with, unpatented mining claims held by the Company within the greater La Plata property claim outline. These interests were acquired by one-time cash payments totaling US\$60,000 (C\$83,345) and the issuance of an aggregate of 275,000 common shares (valued at \$68,750).

**MCKAY HILL PROJECT**

The Company has a 100% interest in the McKay Hill project, which covers approximately 44 km<sup>2</sup> 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 km<sup>2</sup> 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.

On January 10, 2023, the Company signed a production royalty agreement on 5 ½ miles of alluvial gold claims at its Australia Creek property in the Klondike Gold District of Canada's Yukon Territory,

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**  
(Unaudited - Expressed in Canadian dollars)

with Little Flake mining ("Little Flake"), consolidating the three permitted blocks under a single operator. Under the terms of the agreement, Little Flake will be granted exclusive rights to extract gold from the Australia Creek property, with Metallic Minerals receiving a percentage of the production as a royalty. Under the terms of the Australia Creek property agreement, Little Flake must complete a \$1 million minimum annual work commitment and pay Metallic Minerals an annual advance royalty plus a variable royalty on all gold production.

Pursuant to the agreement, Little Flake has the following commitments:

- Make an initial non-refundable cash payment of \$125,000 on the Effective Date (received on February 27, 2023); and
- Deliver 100 raw ounces of gold having a fineness of not less than 80% on the Effective Date (received on February 28, 2023 - on the effective date the gold value was \$201,896. As at April 30, 2023 the gold value was \$216,550, the difference of \$14,654 was recorded to the statement of loss and comprehensive loss).
- Pay an annual advance royalty for each of the next five calendar years in the amount of:
  - 100 raw ounces of gold having a fineness of not less than 80%; and
  - Pay a production royalty of 20%, 15% and 16% of all Placer Minerals mined, extracted, recovered, produced, removed or otherwise derived from the Lower Block, Middle Block and Upper Block, respectively.

**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.

**7. EXPLORATION EXPENDITURES**

A summary of the exploration expenditures incurred for the three months ended April 30, 2023 is presented below:

	<b>Keno Silver Project</b>	<b>La Plata Project</b>	<b>McKay Hill Project</b>	<b>Klondike Gold Project</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Analysis	6,519	3,419	-	-	9,938
Camp costs	-	1,174	-	-	1,174
Community	1,416	-	-	-	1,416
Consulting	97,005	108,125	2,465	13,143	220,738
Drilling	750	-	-	-	750
Equipment and communication	-	5,237	-	-	5,237
Lands and permitting	-	-	-	2,772	2,772
Transportation and travel	-	5,238	-	-	5,238
	105,690	123,193	2,465	15,915	247,263
Less: Government grant	-	-	-	(13,166)	(13,166)
Less: Reclamation deposit	-	-	-	(60,000)	(60,000)
	<b>105,690</b>	<b>123,193</b>	<b>2,465</b>	<b>(57,251)</b>	<b>174,097</b>

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**  
(Unaudited - Expressed in Canadian dollars)

A summary of the exploration expenditures incurred for the three months ended April 30, 2022 is presented below:

	<b>Keno Silver Project</b>	<b>La Plata Project</b>	<b>McKay Hill Project</b>	<b>Klondike Gold Project</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Analysis	231	2,828	-	-	3,059
Camp costs	6,179	2,739	-	-	8,918
Consulting	102,695	108,212	1,301	60,223	272,431
Drilling	413	-	-	-	413
Equipment and communication	(56,652)	(727)	-	614	(56,765)
Fuel	-	71	-	-	71
Geophysics	-	1,900	-	-	1,900
Lands and permitting	94	161	-	1,585	1,840
Transportation and travel	(6,986)	3,534	-	-	(3,452)
	<b>45,974</b>	<b>118,718</b>	<b>1,301</b>	<b>62,422</b>	<b>228,415</b>

A summary of the exploration expenditures incurred for the nine months ended April 30, 2023 is presented below:

	<b>Keno Silver Project</b>	<b>La Plata Project</b>	<b>McKay Hill Project</b>	<b>Klondike Gold Project</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Analysis	127,352	70,136	-	-	197,488
Camp costs	120,576	2,504	-	1,835	124,915
Community	1,416	-	-	-	1,416
Consulting	494,533	257,822	2,573	45,750	800,678
Drilling	389,314	670,962	-	-	1,060,276
Equipment and communication	20,795	11,478	-	-	32,273
Fuel	61,222	673	-	708	62,603
Geophysics	92,062	17,925	-	-	109,987
Helicopter	148,265	-	-	43,546	191,811
Lands and permitting	8,379	7,698	-	14,839	30,916
Transportation and travel	22,414	12,839	-	4,028	39,281
	<b>1,486,328</b>	<b>1,052,037</b>	<b>2,573</b>	<b>110,706</b>	<b>2,651,644</b>
Less: Government grant	-	-	-	(13,166)	(13,166)
Less: Production royalty	-	-	-	(326,895)	(326,895)
Less: Reclamation deposit	-	-	-	(60,000)	(60,000)
	<b>1,486,328</b>	<b>1,052,037</b>	<b>2,573</b>	<b>(289,355)</b>	<b>2,251,583</b>

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**  
(Unaudited - Expressed in Canadian dollars)

A summary of the exploration expenditures incurred for the nine months ended April 30, 2022 is presented below:

	<b>Keno Silver Project</b>	<b>La Plata Project</b>	<b>McKay Hill Project</b>	<b>Klondike Gold Project</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Analysis	196,804	94,563	-	-	291,367
Camp costs	172,006	7,714	-	-	179,720
Consulting	776,146	274,687	2,145	146,918	1,199,896
Drilling	711,019	193,201	-	-	904,220
Equipment and communication	40,407	8,590	-	614	49,611
Fuel	125,385	704	-	-	126,089
Geophysics	-	96,513	-	-	96,513
Helicopter	616,848	-	-	-	616,848
Lands and permitting	2,658	33,467	-	3,381	39,506
Transportation and travel	20,250	1,481	-	2,050	23,781
	<b>2,661,523</b>	<b>710,920</b>	<b>2,145</b>	<b>152,963</b>	<b>3,527,551</b>

**8. RECLAMATION DEPOSIT**

During the year ended July 31, 2021, the Company received \$60,000 from a production royalty agreement 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. The deposit was forfeited when the agreement was terminated.

**9. SHARE CAPITAL**

**a) Authorized**

Unlimited common shares without par value.

**b) Share issuance details**

Subsequent to April 30, 2023, the Company completed a 9.5% strategic equity investment by a wholly-owned subsidiary of Newcrest. Pursuant to the placement, the Company issued 15,838,593 units at a price of \$0.40 per unit for gross proceeds of approximately \$6,300,000. In connection with the financing, the Company incurred financing costs of \$26,750 during the nine months ended April 30, 2023 (Note 15).

**Nine months ended April 30, 2023**

- 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 ("SARs") 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.
- The Company issued 275,000 common shares pursuant to the purchase of more claims on the La Plata property. The common shares were valued at the date of issuance \$68,750.

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**

(Unaudited - Expressed in Canadian dollars)

**Nine months ended April 30, 2022**

- The Company issued 100,000 common shares pursuant to the exercise of 100,000 options with a weighted average exercise price of \$0.18 per share for total gross proceeds of \$18,000. The weighted average share price on the date of exercise was \$0.44. An additional total of 200,000 options were exercised using SARs and 87,824 common shares were issued.
- The Company issued 7,988,481 common shares pursuant to the exercise of share purchase warrants with a weighted average exercise price of \$0.26 per share for gross proceeds of \$2,116,199. The weighted average share price on the date of exercise was \$0.41.

**c) Stock options**

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

	<b>Number of options</b>	<b>Weighted average exercise price</b>
		<b>\$</b>
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
Granted	3,855,000	0.23
Exercised	(1,500,000)	0.30
Cancelled	(350,000)	0.56
Expired	(955,000)	0.60
<b>Balance, April 30, 2023</b>	<b>14,253,000</b>	<b>0.33</b>
<b>Exercisable, April 30, 2023</b>	<b>8,654,667</b>	<b>0.36</b>

The following stock options were outstanding as at April 30, 2023:

<b>Outstanding</b>	<b>Exercisable</b>	<b>Weighted average exercise price</b>	<b>Expiry date</b>	<b>Weighted average remaining life (in years)</b>
		<b>\$</b>		
1,600,000	1,600,000	0.18	February 28, 2024	0.83
818,000	818,000	0.18	August 8, 2024	1.28
1,600,000	1,600,000	0.22	May 8, 2025	2.02
750,000	750,000	0.43	June 22, 2025	2.15
2,120,000	2,120,000	0.60	January 12, 2026	2.71
100,000	100,000	0.65	April 30, 2026	3.00
1,590,000	1,060,000	0.41	March 29, 2027	3.92
1,820,000	606,667	0.41	May 5, 2027	4.02
3,855,000	-	0.23	January 30, 2028	4.76
<b>14,253,000</b>	<b>8,654,667</b>	<b>0.33</b>		<b>3.17</b>

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**  
(Unaudited - Expressed in Canadian dollars)

**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, 2022	18,188,567	0.54
Exercised	(1,250,000)	0.24
Expired	(10,153,067)	0.60
<b>Balance, April 30, 2023</b>	<b>6,785,500</b>	<b>0.52</b>

The following warrants were outstanding as at April 30, 2023:

Outstanding	Exercise price \$	Expiry date	Weighted average remaining life (in years)
1,250,000	0.62	July 29, 2024	1.25
4,800,000	0.50	December 8, 2024	1.61
735,500	0.50	December 30, 2024	1.67
<b>6,785,500</b>	<b>0.52</b>		<b>1.55</b>

**e) Share-based payment expense and reserve**

The weighted average fair value on grant date of the options granted during the nine months ended April 30, 2023 was \$431,220 (2022: \$317,029), or \$0.11 (2022: \$0.20) per option and total share-based payment expense was \$508,883 (2022: \$488,041) and was recorded in profit or loss. Pursuant to vesting schedules, a portion of the fair value will be expensed in future periods.

During the nine months ended April 30, 2023, the Company granted 3,855,000 stock options. During the nine months ended April 30, 2022, the Company granted 1,590,000 stock options. The fair value of the stock options that were granted during the nine months ended April 30, 2023 and 2022 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2023	2022
Risk free interest rate	2.99%	2.40%
Expected stock price volatility	53%	51%
Expected dividend yield	Nil	Nil
Expected option life in years	5.0	5.0
Spot price on date of grant	\$0.23	\$0.42

During the nine months ended April 30, 2022, the Company did not grant any stock options.

During the nine months ended April 30, 2023, the Company reclassified \$394,171 (2022: \$591,810) from share-based payments reserve to deficit with respect to options that were cancelled and expired during the period and \$228,872 (2022: \$322) with respect to warrants that expired during the period.



**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**  
(Unaudited - Expressed in Canadian dollars)

**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 and nine months ended April 30, 2023 and 2022:

- 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 and nine months ended April 30, 2023 and 2022 were as follows:

		<b>Three months ended</b>		<b>Nine months ended</b>	
		<b>April 30,</b>		<b>April 30,</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Consulting fees	1	108,694	82,806	314,257	188,160
Share-based payments	2	83,539	49,452	207,250	143,578
Transactions with TruePoint	3	278,764	202,221	1,915,521	3,216,704
		<b>470,997</b>	<b>334,479</b>	<b>2,437,028</b>	<b>3,548,442</b>

<sup>1</sup> Consulting fees for the three and nine months ended April 30, 2023 and 2022 consisted of fees earned by key management personnel.

<sup>2</sup> 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.

<sup>3</sup> Transactions with TruePoint for the nine months ended April 30, 2023 consisted of exploration expenditures (\$1,706,400) and investor relations and corporate development fees (\$209,121).

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**

(Unaudited - Expressed in Canadian dollars)

**b) Related Party Balances**

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

		<b>April 30, 2023</b>	<b>July 31, 2022</b>
<b>Current assets</b>		<b>\$</b>	<b>\$</b>
Due from TruePoint	1	776,917	-
Due from Greg Johnson	2	50,000	50,000
		<b>826,917</b>	<b>50,000</b>
<b>Current liabilities</b>			
Due to TruePoint	1	-	144,286
Due to Greg Johnson		30,000	71,436
Due to Scott Petsel		19,451	16,521
		<b>49,451</b>	<b>232,243</b>

<sup>1</sup> This amount was net of cash advances made to TruePoint for future exploration offset by charges from TruePoint.

<sup>2</sup> This amount relates to an expense advance as at April 30, 2023 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 and nine months ended April 30, 2023 and 2022 consisted of the following:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>2023</b>	<b>April 30, 2022</b>	<b>2023</b>	<b>April 30, 2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Receivables	131,199	(48,307)	83,544	(262,190)
Due to/from related parties	178,327	(99,575)	(959,709)	(46,651)
Deferred financing costs	(26,750)	-	(26,750)	-
Prepaid expenses and deposits	(4,613)	(19,806)	103,984	107,843
Accounts payable and accrual liabilities	83,726	60,953	(262,079)	(15,190)
	<b>361,889</b>	<b>(106,735)</b>	<b>(1,061,010)</b>	<b>(216,188)</b>

The non-cash financing and investing transactions for the nine months ended April 30, 2023 consisted of the Company:

- issuing 346,154 common shares pursuant to the exercise of 1,400,000 options using SARs; and
- Issuing 275,000 common shares valued at \$68,750 pursuant to the purchase of more claims on the La Plata property.

The non-cash financing and investing transactions for the nine months ended April 30, 2022 consisted of the Company issuing 87,824 common shares pursuant to the exercise of 200,000 options using SARs.

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022**  
(Unaudited - Expressed in Canadian dollars)

---

**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 April 30, 2023, 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.

**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:

	<b>April 30, 2023</b>	<b>July 31, 2022</b>
	\$	\$
Non-current assets by geographic segment		
Canada	2,163,440	1,892,026
United States	2,565,142	2,303,186
	<u>4,728,582</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 April 30, 2023, the Company had incurred \$3,105,900 of those qualifying exploration expenditures.

**15. SUBSEQUENT EVENT**

On May 18, 2023, the Company completed a 9.5% strategic equity investment by a wholly-owned subsidiary of Newcrest. Pursuant to the placement, the Company issued 15,838,593 units at a price of \$0.40 per unit for gross proceeds of approximately \$6,300,000, with each unit comprising one common share and 0.75 of a common share purchase warrant. Each full warrant shall entitle Newcrest to purchase one common share at an exercise price of \$0.55, providing \$6.5 million in additional funding, if exercised. In connection with the financing, the Company incurred financing costs of \$26,750 during the nine months ended April 30, 2023.