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**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

(Expressed in Canadian Dollars)

(Unaudited)

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**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditor.

**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited)

As at

	September 30, 2022	December 31, 2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 4,422,336	\$ 1,792,033
Amounts receivable and prepaid expenses (Note 6)	576,743	319,396
Total current assets	4,999,079	2,111,429
Investment (Note 7)	-	2,584
Property and equipment (Note 8)	148,408	110,864
<b>Total assets</b>	<b>\$ 5,147,487</b>	<b>\$ 2,224,877</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,124,121	\$ 211,305
Loan payable (Note 15)	10,578	10,578
Flow-through share premium liability	88,845	191,896
Total current liabilities	2,223,544	413,779
Loan payable (Note 15)	23,669	29,385
Total liabilities	2,247,213	443,164
<b>EQUITY</b>		
Share capital (Note 10)	41,612,477	35,881,469
Reserves (Notes 11 and 12)	2,477,389	1,876,352
Deficit	(41,189,592)	(35,976,108)
Total equity	2,900,274	1,781,713
<b>Total equity and liabilities</b>	<b>\$ 5,147,487</b>	<b>\$ 2,224,877</b>

Nature and Continuance of Operations (Note 1)

Commitments and Contingencies (Note 14)

Subsequent event (Note 16)

Approved on Behalf of the Board:

*"signed"*

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Jean-Charles Potvin  
Director

*"signed"*

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Denis Arsenault  
Director

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

**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND**  
**COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

<b>Three and Nine Months Ended September 30,</b>	<b>Three Months</b>		<b>Nine Months</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>EXPENSES</b>				
Exploration expenses (Note 9)	\$ 3,942,998	\$ 669,169	\$ 5,352,042	\$ 2,245,227
Professional fees	23,782	7,000	45,481	28,272
Management fees and salaries (Note 13)	144,502	79,988	353,942	227,688
Office and general	18,253	10,658	80,715	35,454
Regulatory and transfer agent	1,468	1,223	86,893	14,651
Investor relations and shareholders' information	74,714	42,262	349,442	116,966
Share-based payments (Notes 12 and 13)	318,167	11,287	358,395	53,530
<b>Loss before the under noted</b>	<b>4,523,884</b>	<b>821,587</b>	<b>6,626,910</b>	<b>2,721,788</b>
Interest income	(34,236)	(308)	(43,212)	(3,170)
Other income	-	-	(33,000)	-
Flow-through shares premium	(1,005,483)	(10,848)	(1,232,190)	(130,459)
Loss on marketable securities (Note 7)	-	1,335	841	818
<b>Loss for the period</b>	<b>\$ 3,484,165</b>	<b>\$ 811,766</b>	<b>\$ 5,319,349</b>	<b>\$ 2,588,977</b>
Loss per share - basic and diluted	\$ <b>0.02</b>	\$ <b>0.01</b>	\$ <b>0.03</b>	\$ <b>0.02</b>
Weighted average number of common shares outstanding - basic and diluted	218,211,957	108,936,177	183,409,675	105,400,265

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

**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EQUITY**

(Expressed in Canadian Dollars)

(Unaudited)

		<u>Reserves</u>			
	Share Capital	Equity settled share-based payments reserve	Warrants reserve	Deficit	Total
<b>Balance, December 31, 2020</b>	<b>\$ 32,305,495</b>	<b>\$ 833,830</b>	<b>\$ 185,875</b>	<b>\$ (31,327,782)</b>	<b>\$ 1,997,418</b>
Net loss for the period	-	-	-	(2,588,977)	(2,588,977)
Issuance of common shares (net of issue costs)	643,788	-	-	-	643,788
Issuance of stock options / share-based compensation	-	53,530	-	-	53,530
Expiry of stock options	-	(97,320)	-	97,320	-
Issuance of warrants	-	-	114,357	-	114,357
<b>Balance, September 30, 2021</b>	<b>\$ 32,949,283</b>	<b>\$ 790,040</b>	<b>\$ 300,232</b>	<b>\$ (33,819,439)</b>	<b>\$ 200,116</b>
<b>Balance, December 31, 2021</b>	<b>\$ 35,881,469</b>	<b>\$ 1,162,025</b>	<b>\$ 714,327</b>	<b>\$ (35,976,108)</b>	<b>\$ 1,781,713</b>
Net loss for the period	-	-	-	(5,319,349)	(5,319,349)
Issuance of common shares (net of issue costs)	5,400,626	-	-	-	5,400,626
Issuance of stock options / share-based compensation	-	358,395	-	-	358,395
Issuance of warrants	-	-	678,889	-	678,889
Exercise of warrants	330,382	-	(330,382)	-	-
Expiry of warrants	-	-	(105,865)	105,865	-
<b>Balance, September 30, 2022</b>	<b>\$ 41,612,477</b>	<b>\$ 1,520,420</b>	<b>\$ 956,969</b>	<b>\$ (41,189,592)</b>	<b>\$ 2,900,274</b>

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

**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
(Unaudited)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>CASH (USED IN) PROVIDED BY:</b>				
<b>OPERATING ACTIVITIES</b>				
Loss for the period	\$(3,484,165)	\$ (811,766)	\$ (5,319,349)	\$ (2,588,977)
Share-based payments	318,167	11,287	358,395	53,530
Flow-through shares premium	(1,005,483)	(10,848)	(1,232,190)	(130,459)
Loss (gain) on marketable securities	-	1,335	841	818
Amortization	14,000	7,582	32,839	16,964
	(4,157,481)	(802,410)	(6,159,464)	(2,648,124)
Net change in non-cash working capital items:				
Amounts receivable and prepaid expenses	(403,336)	49,907	(257,347)	(38,175)
Accounts payable and accrued liabilities	1,609,675	(198,170)	1,912,816	17,114
<b>Net cash flows used by operating activities</b>	<b>(2,951,142)</b>	<b>(950,673)</b>	<b>(4,503,995)</b>	<b>(2,669,185)</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of property and equipment	(63,781)	-	(70,383)	(41,627)
Proceeds from sale of marketable securities	-	-	1,743	-
<b>Net cash flows used by investing activities</b>	<b>(63,781)</b>	<b>-</b>	<b>(68,640)</b>	<b>(41,627)</b>
<b>FINANCING ACTIVITIES</b>				
Issuance of common shares	-	-	7,475,495	800,000
Issue costs	(30,750)	-	(266,841)	(41,855)
Loan payable	-	-	-	43,586
Loan repayments	(1,938)	(1,789)	(5,716)	(1,789)
<b>Net cash flows provided by (used in) financing activities</b>	<b>(32,688)</b>	<b>(1,789)</b>	<b>7,202,938</b>	<b>799,942</b>
<b>NET CHANGE IN CASH</b>	<b>(3,047,611)</b>	<b>(952,462)</b>	<b>2,630,303</b>	<b>(1,910,870)</b>
<b>CASH, BEGINNING OF THE PERIOD</b>	<b>7,469,947</b>	<b>1,104,003</b>	<b>1,792,033</b>	<b>2,062,411</b>
<b>CASH, END OF THE PERIOD</b>	<b>\$ 4,422,336</b>	<b>151,541</b>	<b>\$ 4,422,336</b>	<b>\$ 151,541</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>				
Incentive warrants issued	\$ -	\$ -	\$ 85,260	\$ -
Finders' warrants issued	\$ -	\$ -	\$ 31,120	\$ -
Equipment purchase financed through loan	\$ -	\$ -	\$ -	\$ 43,586

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

# **MURCHISON MINERALS LTD.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

(Unaudited)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Murchison Minerals Ltd. (the "Company" or "Murchison") was incorporated under the Canada Business Corporations Act on July 25, 2001. The principal business of the Company is the acquisition, exploration and evaluation of mineral property interests. The primary office is located at 5063 North Service Road, Suite 100, Burlington, Ontario, Canada, L7L 5H6.

The condensed interim consolidated financial statements were approved by the Board of Directors on November 23, 2022.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The continuance of the Company is dependent upon completion of the acquisition of the exploration and evaluation properties, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of the Company's assets.

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at September 30, 2022, the Company has a cumulative deficit of \$41,189,592 (December 31, 2021 - \$35,976,108), continuing losses and is not yet generating positive cash flows from operations. However, management believes that its current working capital position is sufficient to support planned operations for the next twelve months.

These condensed interim consolidated financial statements were prepared on a going-concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These condensed interim consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### *Statement of compliance*

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, these unaudited condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

**MURCHISON MINERALS LTD.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**September 30, 2022 and 2021**  
(Expressed in Canadian Dollars)  
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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Exploration and evaluation properties*

The acquisition costs of exploration and evaluation properties are expensed the condensed interim consolidated statements of loss in the period incurred, as permitted under IFRS 6, Exploration for and Evaluation of Mineral Resources.

The acquisition costs of exploration and evaluation properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

Exploration costs are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as acquisition costs as they are made. Administrative expenditures are expensed in the period incurred.

*Property and equipment*

Property and equipment are carried at cost, less accumulated amortization and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of property and equipment consists of major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Amortization is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Rate	Method
Exploration equipment	3 years	Straight-line
Computers & Software	3 years	Straight-line
Buildings	20 years	Straight-line

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

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### 3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit which at September 30, 2022 totalled \$2,900,274 (December 31, 2021 - \$1,781,713). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the period ended September 30, 2022. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

### 4. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the period ended September 30, 2022.

#### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and amounts receivable. Cash is held with reputable banks, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of sales tax receivable and refundable tax credits from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2022, the Company had a cash balance of \$4,422,336 (December 31, 2021 - \$1,792,033) to settle accounts payable, accrued liabilities and loan payable of \$2,158,368 (December 31, 2021 - \$251,268). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except for the loan payable as disclosed in Note 15.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.



**MURCHISON MINERALS LTD.**  
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**4. FINANCIAL RISK FACTORS (Continued)**

*Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts at major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered banks. Management believes that interest rate risk is minimal as cash and cash equivalents investments have maturities of three months or less.

*Commodity price risk*

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of base and/or precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value. As at September 30, 2022, the Company is not a commodities producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

*Sensitivity analysis*

Based on management's knowledge and experience, the Company believes the following movements are "reasonably possible" over a one-year period:

- (i) Based on cash balances earning interest at September 30, 2022, a 1% change in interest rates would result in a corresponding interest income change of approximately \$44,200 for the one-year period.

**5. CATEGORIES OF FINANCIAL INSTRUMENTS**

	<b>September 2022</b>	<b>December 2021</b>
<b>Financial assets:</b>		
Amortized cost		
Cash	\$ 4,422,336	\$ 1,792,033
FVPL		
Investment	-	2,584
<b>Financial liabilities:</b>		
Amortized cost		
Accounts payable and accrued liabilities	\$ 2,124,121	\$ 211,305
Loan payable	34,247	39,963

As of September 30, 2022 and December 31, 2021, the fair value of all the Company's current financial instruments approximates the carrying value, due to their short-term nature.

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

### 6. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	September 2022	December 2021
Sales tax receivable	\$ 498,076	\$ 247,327
Prepaid expenses and advances	78,667	72,069
	\$ 576,743	\$ 319,396

### 7. INVESTMENT

The Company's investment is classified as fair value through profit and loss ("FVPL") and is carried at fair value. The balance is comprised of the following:

	Number of shares	September 2022	December 2021
First Mining Gold Corp.	8,612	\$ -	\$ 2,584

During the nine month period ended September 30, 2022, the Company sold the 8,612 (2021 – 8,612) common shares of First Mining Gold Corp. and recognized a loss of \$841 on the condensed interim consolidated statement of loss.

### 8. PROPERTY AND EQUIPMENT

	Computers & software	Buildings	Exploration equipment	Total
<b>Period ended September 30, 2021</b>				
Opening net book amount	- \$	46,715	\$ 24,865	\$ 71,580
Additions	-	-	41,627	41,627
Amortization for the period		(1,830)	(15,134)	(16,964)
<b>Closing net book amount</b>	<b>- \$</b>	<b>44,885</b>	<b>\$ 51,358</b>	<b>\$ 96,243</b>
<b>At September 30, 2021</b>				
Cost	- \$	48,866	\$ 83,664	\$ 132,530
Accumulated amortization	-	(3,981)	(32,306)	(36,287)
<b>Net book amount</b>	<b>- \$</b>	<b>44,885</b>	<b>\$ 51,358</b>	<b>\$ 96,243</b>

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

### 8. PROPERTY AND EQUIPMENT (Continued)

	Computers & software	Buildings	Exploration equipment	Total
<b>Period ended September 30, 2022</b>				
Opening net book amount	- \$	44,275 \$	66,589 \$	110,864 \$
Additions	6,602	-	63,781	70,383
Amortization for the period	(880)	(1,830)	(30,129)	(32,839)
<b>Closing net book amount</b>	<b>5,722 \$</b>	<b>42,445 \$</b>	<b>100,241 \$</b>	<b>148,408 \$</b>
<b>At September 30, 2022</b>				
Cost	6,602 \$	48,866 \$	170,954 \$	226,422 \$
Accumulated amortization	(880)	(6,421)	(70,713)	(78,014)
<b>Net book amount</b>	<b>5,722 \$</b>	<b>42,445 \$</b>	<b>100,241 \$</b>	<b>148,408 \$</b>

### 9. EXPLORATION AND EVALUATION PROPERTIES

#### Brabant Lake Property – Saskatchewan

As at September 30, 2022, the Company holds a 100% interest in certain claims forming the Brabant Lake property in Saskatchewan.

#### HPM Property - Quebec

As at September 30, 2022, the Company holds a 100% interest in certain claims forming the HPM property in Quebec.

#### Barraute-Landrienne Property - Quebec

On April 28, 2021, the Company entered into an agreement with Gestion Aline Leclerc Inc. (“GAL”) granting Murchison an option to earn 100% in 75 mineral claims, by making payments totaling \$500,000 and property expenditures of \$1.0 million over a 6-year period. The first payment of \$20,000 due on April 28, 2022 was paid. GAL will retain a royalty of 1% of net smelter returns (NSR) on future production. The 1% NSR can be acquired anytime by the Company for \$1.0 million.

The following table details the payments and exploration commitments on an annual basis.

	Timeline	Cash Payments or Number of Consideration Shares	Expenditures
1.	on or before April 28, 2022	\$20,000 cash (Paid)	\$140,000
2.	on or before April 28, 2023	\$20,000 cash	\$200,000 (\$400,000 cumulative)
3.	on or before April 28, 2024	\$30,000 cash	\$200,000 (\$600,000 cumulative)
4.	on or before April 28, 2025	\$30,000 cash	\$200,000 (\$800,000 cumulative)
5.	on or before April 28, 2026	\$200,000 or equivalent in common shares at the 20-day VWAP Price, or a combination of both, at the option of Murchison	\$200,000 (\$1,000,000 cumulative)
6.	on or before April 28, 2027	\$200,000 or equivalent in common shares at the 20-day VWAP Price, or a combination of both at the option of Murchison	Nil
TOTAL		\$100,000 cash and \$400,000 or equivalent in common shares at the 20-day VWAP Price, or a combination of both at the option of Murchison	\$1,000,000

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

### 9. EXPLORATION AND EVALUATION PROPERTIES (Continued)

The following table sets out the exploration expenses for the nine months ended September 30, 2022 and 2021.

	September 30, 2022	September 30, 2021
<b>Brabant Lake</b>		
Amortization	\$ 20,767	\$ 16,964
Drilling	1,500	1,489,041
General Administrative	2,500	4,084
Geology	92,596	72,461
Geophysics	90,844	71,277
Metallurgy	-	66,451
Government Assistance – Drilling Incentive	(50,000)	-
Mineral Property and Staking	5,950	300
<b>Total Brabant Lake</b>	<b>\$ 164,157</b>	<b>\$ 1,720,578</b>
<b>HPM</b>		
Amortization	11,192	-
Geology & prospecting	1,316,029	156,052
Geophysics	1,014,102	214,607
Drilling	2,762,229	10,830
Metallurgy	4,937	-
General Administrative	42,922	-
Exploration Tax Credits	(7,631)	-
Mineral Property and Staking	15,932	11,524
<b>Total HPM</b>	<b>\$ 5,159,712</b>	<b>\$ 393,013</b>
<b>Barraute-Landrienne</b>		
Geology	3,947	33,202
Geophysics	3,567	95,934
Option Payment	20,000	-
Mineral Property and Staking	659	2,500
<b>Total Barraute-Landrienne</b>	<b>\$ 28,173</b>	<b>\$ 131,636</b>
<b>Total exploration expenses</b>	<b>\$ 5,352,042</b>	<b>\$ 2,245,227</b>

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**Notes to the Condensed Interim Consolidated Financial Statements**  
**September 30, 2022 and 2021**  
(Expressed in Canadian Dollars)  
(Unaudited)

**10. SHARE CAPITAL**

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares.

(b) Issued

	Number	Amount
<b>Balance - December 31, 2020</b>	<b>98,936,177</b>	<b>\$ 32,305,495</b>
Issuance of common shares <sup>(i)</sup>	10,000,000	800,000
Issue costs	-	(41,855)
Warrants	-	(114,357)
<b>Balance – September 30, 2021</b>	<b>108,936,177</b>	<b>\$ 32,949,283</b>
<b>Balance - December 31, 2021</b>	<b>153,609,785</b>	<b>35,881,469</b>
Exercise of warrants-net of issue costs <sup>(ii)</sup>	17,682,550	2,465,961
Private placement <sup>(iii)</sup>	46,919,622	5,353,589
Issue costs – private placement	-	(249,753)
Flow-Through Premium <sup>(iii)</sup>	-	(1,129,139)
Warrants issued	-	(709,650)
<b>Balance – September 30, 2022</b>	<b>218,211,957</b>	<b>\$ 41,612,477</b>

<sup>(i)</sup> On March 5, 2021, Murchison completed a non-brokered private placement and issued 10,000,000 common share units at a price of \$0.08 per unit for gross proceeds of \$800,000. Each unit consisted of one common share of the Company and one-half common share purchase warrant. Each full warrant entitled the holder to acquire one additional common share until September 5, 2022 at an exercise price of \$0.12 per common share.

The fair value of the warrants was estimated at \$120,670 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 109%, risk-free interest rate of 0.29%, expected life of 1.5 year and share price of \$0.07. Issue costs of \$6,313 were allocated to the warrants.

Finder's fees totaling \$18,000 were paid under the private placement. Insiders of the Company acquired an aggregate of 4,150,000 units in the private placement for a total of \$332,000.

<sup>(ii)</sup> Between January 10 and February 10, 2022, 7,025,000 warrants exercisable at \$0.12 and expiring on January 23 and February 13, 2022 were exercised for gross proceeds of \$843,000.

Between March 23 and April 15, 2022, following the implementation of a warrant exercise incentive program, 10,657,550 warrants at a price of \$0.12 were exercised for gross proceeds of \$1,278,906. As part of the incentive program, the Company issued 5,328,775 incentive warrants exercisable at \$0.18 until April 15, 2023.

The fair value of the incentive warrants was estimated at \$85,260 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 82%, risk-free interest rate of 2.27%, expected life of 1 year and share price of \$0.10.

On June 30, 2022, the Company completed a non-brokered private placement and issued 10,166,666 units at a price of \$0.09 per unit, 20,195,002 Quebec flow-through units at a price of \$0.105 and 16,557,954 charity flow-through units at a price of \$0.14 for aggregate gross proceeds of CAD \$5,353,589.

**MURCHISON MINERALS LTD.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**September 30, 2022 and 2021**

(Expressed in Canadian Dollars)  
(Unaudited)

**10. SHARE CAPITAL (Continued)**

Each unit, Quebec flow-through unit and charity flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of \$0.18 for a period of 18 months expiring December 30, 2023. In the event that, the 20-day volume weighted average price of the common shares on the TSX Venture Exchange is greater than \$0.225 (\$0.24 for the unit), the Company may give notice to the holders of the warrants that the expiry time of the warrants has been accelerated and the warrants will expire on the 30<sup>th</sup> business day following the date of such notice to subscribe for and purchase the number common shares of the Company set forth above on the basis of one common share at a price of \$0.18 for each warrant exercised. All securities issued under the private placement were subject to a four-month hold period until October 31, 2022, in accordance with applicable securities laws.

The fair value of the warrants was estimated at \$593,270 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 115%, risk-free interest rate of 3.10%, expected life of 1.5 year and share price of \$0.08. Issue costs of \$25,770 were allocated to the warrants.

Finder's fees totaling \$149,150 were paid under the private placement and 1,230,471 finders' warrants valued at \$31,120 with the same terms as described above. Insiders of the Company acquired a 7,944,444 units and 142,857 FT units for aggregate gross proceeds of \$730,000.

**11. WARRANTS AND FINDERS' WARRANTS**

The following summarizes the warrants and finders' warrants activity for the nine-month periods ended September 30, 2022 and 2021:

	Number of Warrants	Grant Date Fair Value	Weighted Average Exercise Price
<b>Balance - December 31, 2020</b>	<b>9,723,833</b>	<b>\$ 185,875</b>	<b>\$ 0.12</b>
Issued	5,000,000	114,357	0.12
<b>Balance – September 30, 2021</b>	<b>14,723,833</b>	<b>\$ 300,232</b>	<b>\$ 0.12</b>
<b>Balance - December 31, 2021</b>	<b>38,307,385</b>	<b>\$ 714,327</b>	<b>\$ 0.12</b>
Exercised	(17,682,550)	(330,382)	0.12
Expired	(4,979,600)	(105,866)	0.12
Issued	30,019,055	678,890	0.18
<b>Balance – September 30, 2022</b>	<b>45,664,290</b>	<b>\$ 956,969</b>	<b>\$ 0.16</b>

As at September 30, 2022, the Company had warrants and finders' warrants outstanding as follows:

Date of Grant	Exercise Number of Warrants	Grant Date Price (\$)	Fair Value (\$)	Expiry Date	Remaining Contractual Life (years)
October 21, 2022	15,645,235	0.12	278,079	October 21, 2022	0.06
April 15, 2022	5,328,775	0.18	85,260	April 15, 2023	0.54
June 30, 2022	24,690,280	0.18	593,630	December 30, 2023	1.25
	<b>45,664,290</b>		<b>956,969</b>		<b>0.75</b>

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

### 12. STOCK OPTIONS

The Company maintains a stock option plan whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that is issuable under the plan was fixed at 10% of the number of common shares issued and outstanding (a maximum of 5% of the number of common shares issued and outstanding may be held by any one person). Options expire after a maximum period of five years following the date of grant. Vesting provisions are determined at the time of each grant.

The following summarizes the stock option activity for the nine-month periods ended September 30, 2022 and 2021:

	Number of Stock Options	Weighted Average Exercise Price
<b>Balance - December 31, 2020</b>	<b>9,255,000</b>	<b>\$ 0.11</b>
Granted <sup>(i) (ii)</sup>	700,000	0.095
<b>Balance – September 30, 2021</b>	<b>9,955,000</b>	<b>0.11</b>
<b>Balance - December 31, 2021</b>	<b>14,280,000</b>	<b>\$ 0.11</b>
Granted <sup>(iii) (iv)</sup>	4,900,000	0.09
<b>Balance – September 30, 2022</b>	<b>19,180,000</b>	<b>0.100</b>

<sup>(i)</sup> On April 14, 2021, the Company granted 200,000 stock options exercisable at \$0.095 for 5 years to an officer of the Company. The grant date fair value of these options of \$9,800 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 0.95%, expected volatility – 113%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the \$9,800 fair value was recorded as share-based payment on the interim consolidated statement of loss for the period ended September 30, 2021.

<sup>(ii)</sup> On May 25, 2021, the Company granted 500,000 stock options exercisable at \$0.095 for 5 years to a director, an officer, a consultant and employees of the Company. The grant date fair value of these options of \$26,000 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 0.86%, expected volatility – 109%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the \$26,000 fair value was recorded as share-based payment on the interim consolidated statement of loss for the period ended September 30, 2021.

<sup>(iii)</sup> On January 24, 2022, the Company granted 200,000 stock options exercisable at \$0.135 for 5 years to a consultant of the Company. The grant date fair value of these options of \$19,600 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 1.63%, expected volatility – 96%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vesting provisions were 1/3 immediately, 1/3 in 9 months and 1/3 in 18 months and \$11,978 fair value was recorded as share-based payment on the interim consolidated statement of loss for the period ended September 30, 2022.

<sup>(iv)</sup> On July 29, 2022, the Company granted 4,700,000 stock options exercisable at \$0.09 for 5 years to directors, officers, employees and consultants of the Company. The grant date fair value of these options of \$314,900 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 2.66%, expected volatility – 99%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the fair value was recorded as share-based payment on the interim consolidated statement of loss for the period ended September 30, 2022.

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

### 12. STOCK OPTIONS (Continued)

As at September 30, 2022, the Company had incentive stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

Date of Grant	Options Outstanding <sup>(1)</sup>	Exercise Price (\$)	Grant Date Fair Value (\$)	Expiry Date	Weighted Average Remaining Contractual Life (years)
January 10, 2018	710,000	0.19	121,410	January 10, 2023	0.28
March 6, 2019	645,000	0.095	59,340	March 6, 2024	1.43
December 23, 2019	3,300,000	0.085	244,200	December 23, 2024	2.23
July 20, 2020	400,000	0.10	23,200	July 20, 2025	2.81
December 31, 2020	3,700,000	0.095	284,900	December 31, 2025	3.25
April 14, 2021	200,000	0.095	9,800	April 14, 2026	3.54
May 25, 2021	500,000	0.095	26,000	May 25, 2026	3.65
July 2, 2021	200,000	0.095	10,800	July 2, 2026	3.76
October 11, 2021	1,000,000	0.08	59,000	October 11, 2026	4.03
December 20, 2021	3,625,000	0.13	351,625	December 20, 2026	4.22
January 24, 2022	200,000	0.135	19,600	January 24, 2027	4.32
July 29, 2022	4,700,000	0.09	314,900	July 29, 2027	4.83
	<b>19,180,000</b>	<b>0.10</b>	<b>1,524,775</b>		<b>3.54</b>

<sup>(1)</sup> All options are exercisable, except for 133,333

### 13. RELATED PARTY TRANSACTIONS

a) Remuneration of directors and officers was as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2022	2021	2022	2021
Salaries and benefits	\$ 143,280	\$ 42,813	\$ 350,738	\$ 178,188
Share-based payments	216,075	-	216,075	25,400
	<b>\$ 359,355</b>	<b>\$ 42,813</b>	<b>\$ 566,813</b>	<b>\$ 203,588</b>

For the three-month period ended September 30, 2022, the salaries and benefits amount above includes \$27,930 (2021 - \$20,313) for fees invoiced by a corporation controlled by the CFO of the Company for his services and \$21,600 (2021 - \$22,500) for fees invoiced by the Executive Chairman (former CEO until October 11, 2021) as well as \$93,750 (2021 - \$nil) for fees invoiced by a) corporation controlled by the CEO of the Company for his services as CEO.

For the nine-month period ended September 30, 2022, the salaries and benefits amount above includes \$117,188 (2021 - \$90,688) for fees invoiced by a corporation controlled by the CFO of the Company for his services and \$64,800 (2021 - \$87,500) for fees invoiced by the Executive Chairman as well as \$168,750 (2021 - \$nil) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO.

#### b) Warrant Incentive Program

As part of the warrant exercise incentive program implemented on March 17, 2022, officers and directors of the Company exercised 9,436,550 warrants at a price of \$0.12 for gross proceeds of \$1,132,386. As part of the incentive program, the Company issued 4,718,275 warrants exercisable at \$0.18 until April 15, 2023.



**MURCHISON MINERALS LTD.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**September 30, 2022 and 2021**  
(Expressed in Canadian Dollars)  
(Unaudited)

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**14. COMMITMENTS AND CONTINGENCIES**

***Management Contracts***

The Company entered into consulting agreements for the services of its President and CEO, CFO and Executive Chairman. Under the agreements, additional payments totalling \$962,500 are to be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated financial statements. The commitment upon termination of the agreements is \$359,400, in aggregate. The minimum commitment due within one year under the terms of the agreements is \$386,400, in aggregate.

***Property Option Agreement***

On April 28, 2021, the Company optioned certain claims forming the Barraute-Landrienne property whereby Murchison can earn 100% in 75 mineral claims, by making payments totaling \$500,000 and property expenditures of \$1.0 million over a 6-year period. See Note 9.

***Flow-Through Obligation***

As at September 30, 2022, the Company has to incur \$349,000 in qualifying exploration expenditures by December 31, 2023 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

***Environmental***

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

**15. LOAN PAYABLE**

In September 2021, the Company financed the purchase of an exploration vehicle in the amount of \$43,586. The loan bears an interest rate of 7.89% and is repayable over 60 monthly payments of \$881 and is secured by the vehicle. The balance payable at September 30, 2022 was \$34,247 of which \$10,578 is due within the next 12 months.

Undiscounted payments over successive years are as follows:

2022	\$	2,644
2023-2026		<u>37,023</u>
Total contractual cash flows	\$	39,667
Less: interest		<u>(5,420)</u>
<b>Obligation at September 30, 2022</b>	<b>\$</b>	<b><u>34,247</u></b>

**16. SUBSEQUENT EVENT**

On October 21, 2022, 15,645,235 warrants exercisable at \$0.12 expired unexercised.

**End of Notes to Financial Statements**