



**MAS GOLD CORP.**

*(an exploration stage enterprise)*

**FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED DECEMBER 31, 2022 and 2021**

*(expressed in Canadian Dollars)*

**NOTICE OF NO AUDITOR REVIEW**

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

*"James Engdahl"*

James Engdahl  
CEO

*"Karen Frisky"*

Karen Frisky  
CFO

Saskatoon, Saskatchewan  
February 28, 2023

**MAS GOLD CORP.***(an exploration stage enterprise)*

## STATEMENTS OF FINANCIAL POSITION

(expressed in Canadian Dollars)

	Note	Dec 31 2022	Sep 30 2022
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 279,356	\$ 200,432
Receivables		29,020	33,028
Prepaid expenses and deposits		95,448	153,333
		403,824	386,793
Reclamation bond		165,000	165,000
Exploration and evaluation interests	5	3,926,797	3,926,797
		\$ 4,495,621	\$ 4,478,590
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	749,571	840,500
Due to related party	7	570,000	420,000
		1,319,571	1,260,500
<b>Shareholders' equity</b>			
Share capital	6	31,726,149	31,423,708
Reserve for warrants	6	322,083	322,083
Reserve for options	6	1,929,013	1,929,013
Deficit		(30,801,196)	(30,456,714)
		3,176,049	3,218,090
		\$ 4,495,621	\$ 4,478,590

**On behalf of the Board:***"James Engdahl"*

Director

James Engdahl

*"Steven Goldman"*

Director

Steven Goldman

**MAS GOLD CORP.***(an exploration stage enterprise)*

## STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

THREE MONTHS ENDED DECEMBER 31

(expressed in Canadian Dollars)

	Note	2022	2021
<b>Exploration and evaluation expenses</b>	5	\$ 89,921	\$ 663,115
<b>Operating and administrative expenses</b>			
Consulting fees	7	88,500	68,100
Investor relations		116,740	20,873
Office, rent and administration	7	15,364	4,173
Professional fees		13,417	100,021
Shareholder communications		-	-
Transfer agent and listing fees		9,633	11,132
Wages		-	13,770
		337,233	1,329,936
<b>Other</b>			
Interest expense		430	5,790
Foreign exchange		6,818	(5,086)
Recovery on flow-through liability		-	-
<b>Net loss and comprehensive loss for the year</b>		\$ (344,481)	\$ (881,888)
<b>Basic and diluted loss per share</b>		\$ (0.002)	\$ (0.006)
<b>Weighted average number of common shares outstanding</b>		200,633,359	141,210,307

**MAS GOLD CORP.***(an exploration stage enterprise)***STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(expressed in Canadian Dollars)

	Share Capital		Deficit	Subscriptions Received	Reserve for Warrants	Reserve for Options	Total Shareholders' Equity
	Shares	Amount					
<b>Balance at September 30, 2021</b>	<b>116,132,240</b>	<b>\$ 23,576,788</b>	<b>\$ (27,279,046)</b>	<b>2,565,200</b>	<b>\$ 248,513</b>	<b>\$ 1,286,414</b>	<b>\$ 397,869</b>
				-			
Warrant exercise	23,517,353	2,565,200	-	(2,565,200)	-	-	-
Warrant exercise	1,210,714	121,071	-	-	-	-	121,071
Net loss for the year	-	-	(881,888)	-	-	-	(881,888)
<b>Balance at December 30, 2021</b>	<b>141,210,307</b>	<b>\$ 26,263,060</b>	<b>\$ (28,160,934)</b>	<b>\$ -</b>	<b>\$ 248,513</b>	<b>\$ 1,286,414</b>	<b>\$ (362,947)</b>
<b>Balance at September 30, 2022</b>	<b>200,594,458</b>	<b>\$ 31,423,708</b>	<b>\$ (30,456,714)</b>	<b>\$ -</b>	<b>\$ 322,083</b>	<b>\$ 1,929,013</b>	<b>\$ 3,218,090</b>
Private placement	3,540,000	167,500	-	-	-	-	167,500
Share issue costs		134,940	--	-	-	-	134,940
Net loss for the year	-	-	(344,481)	-	-	-	(344,481)
<b>Balance at December 31, 2022</b>	<b>204,134,458</b>	<b>\$ 31,726,149</b>	<b>\$ (30,801,196)</b>	<b>\$ -</b>	<b>\$ 322,083</b>	<b>\$ 1,929,013</b>	<b>\$ 3,176,049</b>

**MAS GOLD CORP.***(an exploration stage enterprise)*

## STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED DECEMBER 31

(expressed in Canadian Dollars)

	2022	2021
<b>Operating activities</b>		
Net loss for the year	\$ (344,481)	\$ (881,888)
Items not involving cash		
Share based payments	-	-
Net changes in non-cash working capital items		
Receivables	4,009	618
Prepaid expenses and deposits	-	-
Accounts payable and accrued liabilities	(33,043)	154,096
<b>Cash used in operating activities</b>	<b>(373,516)</b>	<b>(727,174)</b>
<b>Financing activities</b>		
Advances from (payments to) related parties	150,000	-
Proceeds from issuance of shares, net of share issue costs	302,440	-
Proceeds from exercise of warrants	-	121,071
Proceeds from exercise of options	-	-
<b>Cash provided by financing activities</b>	<b>452,440</b>	<b>121,071</b>
<b>Increase (decrease) in cash during the year</b>	<b>78,924</b>	<b>(614,852)</b>
<b>Cash, beginning of year</b>	<b>200,432</b>	<b>742,033</b>
<b>Cash, end of year</b>	<b>\$ 279,356</b>	<b>\$ 127,181</b>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(expressed in Canadian Dollars)



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**1. NATURE OF OPERATIONS AND GOING CONCERN**

MAS Gold Corp. (the “Company” or “MAS Gold”) was incorporated under the laws of British Columbia on July 7, 1981. The Company is an exploration stage public company listed on the TSX Venture Exchange, whose principal business activities include the exploration and development of exploration and evaluation properties in Canada. The Company’s offices are located at 107-3239 Faithfull Avenue, Saskatoon, SK S7K 8H4.

The Company is currently exploring its mineral properties and has not yet determined whether they contain resources that are economically recoverable. The recoverability of amounts capitalized for mineral properties is dependent upon the discovery of sufficient economically recoverable ore resources, confirmation of the Company’s interest in the underlying mineral properties, the ability of the Company to arrange appropriate financing to complete the development of the mineral properties and upon future profitable production or proceeds from the sale of the mineral properties.

The Company’s financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2022, the Company had an accumulated deficit of \$30,801,196 (2021 – \$28,160,934) and a working capital deficiency of \$915,748 (2021 – \$1,354,049). The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration, and development of its mineral property interests, is dependent on the Company’s ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and expected growth. If the Company is unable to obtain additional financing, the Company will be unable to continue in operation. There can be no assurances that management’s plans will be successful.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in future profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company’s ability to continue as a going concern is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations or the ability of the Company to raise alternative financing. These factors raise significant doubt about the Company’s ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Since January 2020, the gradual outbreak of the novel strain of the coronavirus, COVID – 19 and its eventual declaration as a pandemic by the World Health Organization, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. This may impact the Company’s ability to obtain additional financing to support exploration activities.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(expressed in Canadian Dollars)



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**2. BASIS OF PRESENTATION**

**Statement of Compliance**

These financial statements have been prepared and are presented in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

The Company’s functional and reporting currency is the Canadian dollar. These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were prepared by management and reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on February 28, 2023.

**3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company’s financial instruments are exposed to certain financial risks: credit risk, liquidity risk and market risk.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company’s cash and accounts receivable are exposed to credit risk. The Company minimizes credit risk by placing its cash with major Canadian financial institutions. Credit risk with respect to cash represents the maximum credit risk exposure to the Company.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company’s approach to managing liquidity risk is to ensure that it has sufficient capital to meet short-term financial obligations after taking into account its exploration obligations and cash on hand. All of the Company’s financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks consist of interest rate risk, foreign currency risk and other price risk. The Company is not exposed to significant market risk.



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NOTES TO THE FINANCIAL STATEMENTS

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**4. CAPITAL RISK MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or reduce expenditures. Management reviews the capital structure on a regular basis to ensure that objectives are met.

There have been no changes to the Company's approach to capital management during the current period. The Company is not subject to external restrictions on its capital.

**5. EXPLORATION AND EVALUATION INTERESTS**

The investment in and expenditures on mineral properties comprise a significant portion of the Company's operations. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown are for acquisition costs incurred to date and do not reflect present or future values. These costs will be written off if the properties are abandoned or the claims allowed to lapse.

**Environmental**

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

**Title to exploration and evaluation interests**

Although the Company has taken steps to verify the title to mineral property interests in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(expressed in Canadian Dollars)

**5. EXPLORATION AND EVALUATION INTERESTS (Continued)**

The Company has capitalized the following acquisition expenditures:

	September 30, 2021	Net Additions	September 30, 2022	Net Additions	December 31, 2022
<b>Greywacke</b>					
Acquisition	\$ 185,394	\$ -	\$ 185,394	\$ -	\$ 185,394
	185,394	-	185,394	-	185,394
<b>Preview Lake</b>					
Acquisition	411,535	-	411,535	-	411,535
	411,535	-	411,535	-	411,535
<b>North Lake</b>					
Acquisition	294,868	-	294,868	-	294,868
	294,868	-	294,868	-	294,868
<b>Preview SW</b>					
Acquisition	-	3,000,000	-	-	3,000,000
	-	3,000,000	-	-	3,000,000
<b>Elizabeth Lake</b>					
Acquisition	35,000	-	35,000	-	35,000
	35,000	-	35,000	-	35,000
Total exploration and evaluation assets	\$ 926,797	\$ 3,000,000	\$ 3,926,797	\$ -	\$ 3,926,797

The Company has expensed the following evaluation and exploration expenditures for the periods ended December 31:

	2022	2021
Assays	\$ 25,667	\$ 2,025
Drilling	7,500	298,394
Geology	56,754	86,474
Environmental	-	147,983
Field crew, camp costs and supplies	-	128,239
	\$ 89,921	\$ 663,115

- 1 On December 21, 2021, the Company signed an agreement granting Eros Resources Corp. the exclusive right to earn a 17.5% interest in all of the Company's current properties (excluding Preview SW) by funding \$3,500,000 in exploration expenditures over a six-month period. As at September 30, 2022, \$3,500,000 of funding has been received. This transaction is subject to Exchange approval.
- 2 On August 30, 2022, the Company received \$50,000 from the Saskatchewan Ministry of Energy and Resources in connection with their Target Mineral Exploration Incentive program ("TMEI"). The government assistance does not need to be repaid.

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**5. EXPLORATION AND EVALUATION INTERESTS (Continued)**

**Greywacke – Saskatchewan**

In 2001, the Company earned a 51% interest in four mineral claims located in northern Saskatchewan for consideration of \$10,000, the issuance of 16,665 common shares and by incurring certain exploration expenditures. On September 20, 2011, the Company entered into the Greywacke Joint Venture Agreement with Golden Band Resources (“Golden Band”), the holder of the remaining 49% interest, to advance the property. MAS is the operator. This arrangement is accounted for as a joint operation. The Greywacke Joint Venture Agreement was expanded in June 2012 to form the La Ronge South Gold Joint Venture Agreement (“LRG JV”), which includes the Preview Lake and North Lake properties, with participating interests being 50:50 in all three properties, including Greywacke. Pursuant to the LRG JV and the addition of the North Lake and Preview Lake properties, the Company awarded Golden Band a 1% interest in Greywacke and 2,500,000 options, which could be exercised to purchase common shares at \$0.35 per share for three years (expired).

The LRG JV is intended to pass operatorship from MAS to Golden Band on a project specific basis, once the specific project changes to a producer status. Recent developments may no longer make that possible and Golden Band has suspended its mining operations. In a court ordered debt restructuring effective July 22, 2016, all the shares of Golden Band were acquired by its largest creditor, Procon Resources Inc. In accordance with the terms of the LRG JV, MAS has first right of refusal for all the property under the JV agreement. Any acquirer is obligated to conduct business under the LRG JV. A court ruling, subsequent to September 30, 2018, disallowed MAS’s arguments to enforce dilution on disputed costs occurring prior to April 15, 2016.

Subsequent to the ruling, MAS provided notices of dilution to Golden Band for exploration expenses incurred after April 15, 2016, which were approved but not funded by Golden Band, including the exploration programs completed in fiscal 2018, 2019 and 2020. These notices reduced the ownership position of Golden Band below 10%. In accordance with the terms of the LRSGJV, once a party is diluted below 10%, they are converted to a 2.5% net smelter returns royalty (“Royalty”) position and MAS assumes 100% ownership in the LRG JV assets. MAS has the right to purchase the Royalty at any time for \$1,000,000. Notice of this, and a request for title transfer, were issued to Golden Band on January 8, 2020.

On February 11, 2021, MAS acquired an additional 3 mineral claims from Eagle Plains Resources Ltd (“Eagle”). And issued 300,000 common shares, with a fair value of \$48,000, in consideration for 100% interest. Eagle was granted a 2% net smelter returns royalty, which MAS has the right to purchase 1% for \$1,000,000.

On April 16, 2021, MAS was confirmed as the 100% owner of the Greywacke property through the process of binding arbitration.

**Preview SW – Saskatchewan**

The Company acquired, from Comstock Metals, 100% of its interest in its Preview SW Gold Project and property by issuing 30,000,000 common shares with a fair value of \$3,000,000.

**Elizabeth Lake – Saskatchewan**

In April 2018, the Company acquired a 100% interest in the Elizabeth Lake properties, located within the southern La Ronge gold belt for cash consideration of \$35,000.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(expressed in Canadian Dollars)



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**5. EXPLORATION AND EVALUATION INTERESTS (Continued)**

**Preview Lake – Saskatchewan**

On April 2, 2012, Golden Band acquired a 66.67% interest in the Preview Lake properties, located within the southern La Ronge gold belt and, on June 15, 2012, Golden Band acquired the remaining 33.33% interest from Cameco Corporation and Areva Resources Canada Inc. The Company paid Golden Band \$340,009 and issued 75,000 common shares, with a fair value of \$8,250, in consideration for a 50% interest.

The Company paid 100% of the exploration costs in this first year's exploration program, with a minimum expenditure of \$300,000, which has been reached; thereafter, each party pays its pro rata share of all expenditures relating to such properties. There is a 5% net profit interest royalty in favour of a vendor on claim ML 5427 and a 1% gross revenue royalty in favour of a vendor on claim S-101681.

**North Lake – Saskatchewan**

The Company has earned a 50% participating interest in the North Lake properties by paying \$150,000 and issuing 25,000 common shares with a fair value of \$2,750 to Golden Band. The Company paid the first \$100,000 in exploration costs in the first year, and, thereafter, will pay its 50% share of any exploration costs and expenses relating to these properties, as well as Golden Band's earn-in costs from the optionor. Subsequent to earning its position, both parties are obligated to meet its share of the earn-in obligations.

On September 30, 2014, pursuant to a Second Amending Agreement, the option was amended whereby a total of \$850,000 in exploration expenditures on one of the claims, CBS 7396 in the LRG JV, which was to occur by October 14, 2014, may be incurred in five years following the election date for consideration of \$200,000 (50% each paid by the Company and Golden Band in May 2015). The vendor retains a 2% net smelter return royalty with a buyback provision of 1%.

On October 8, 2019, pursuant to an Option Agreement, the Company acquired 100% interest in North Lake properties by paying \$1,500 and issuing 300,000 common shares with a fair value of \$13,500 to Eagle Plains Resources Ltd. (Eagle Plains). Eagle Plains retains a 2% net smelter return royalty ("NSR") with a buyback provision for 1% of the NSR, which is purchasable at any time for \$1,000,000.

On April 16, 2021, MAS was confirmed as the 100% owner of the North Lake property through the process of binding arbitration.

**Contact Lake – Saskatchewan**

The Company acquired 100% of the Contact Lake property, including the Contact Lake Gold Mine, on September 13, 2021 through an agreement with the Government of Saskatchewan. In connection with this transaction the Company has paid a deposit of \$165,000 to the Government of Saskatchewan. The Company is obliged to undertake cleanup and restoration of the property.

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FOR THE THREE MONTHS ENDED DECEMBER 31, 2022 AND 2021

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**5. EXPLORATION AND EVALUATION INTERESTS (Continued)**

**Little Deer Lake – Saskatchewan**

On March 30, 2014, the Company acquired an undivided 100% interest in the Little Deer Lake property S-112357 adjacent to the North Lake property and Highway 102 from Wesdome Gold Mines Ltd. for \$1,000 and granted a 1% net smelter return royalty to the vendor. Under the terms of the LRG JV, a 50% interest was offered to Golden Band and although accepted, Golden Band's portion of the acquisition costs remain unpaid. The Company retains 100% interest of the property outside of the LRG JV. During the year ended September 30, 2016, as the Company determined there were indicators of impairment on the property and as such, the value was written down to \$nil by \$1,000, in accordance with Level 3 of the fair value hierarchy.

**6. SHARE CAPITAL**

**Authorized**

Unlimited number of common shares without par value.

**Private placements**

On August 27, 2021, the Company issued 15,000,000 units at a price of \$0.10 per Unit for gross proceeds of \$1,500,000. Each Unit is comprised of one common share of the Company and one-half (1/2) of a Common Share purchase warrant. Each Warrant is exercisable to acquire one Common Share at a price of \$0.20 for a period of 36 months from the closing of the Offering. A finder's fee of \$85,560 was paid and the Company issued 855,600 compensation warrants. Each compensation warrant is exercisable to purchase one unit at an exercise price of \$0.10 until August 27, 2023. The unit consists of one common share and one half of a share purchase warrant. Each whole share purchase warrant allows the holder to purchase one common share at a price of \$0.20 until August 27, 2024. The compensation warrants had a fair value of \$97,587. The following assumptions were used for the compensation warrants: risk-free interest rate of 0.37%, expected life of 2 years, forfeiture rate of 0% and expected volatility of 152%.

In October 2021, the Company issued 350,000 shares at a price of \$0.105 per share in a non-brokered private placement financing for proceeds of \$36,750.

In December 2021, Company issued 30,000,000 common shares at a price of \$0.10 per share to acquire, from Comstock Metals, 100% of its interest in its Preview SW Gold Project and property. The fair value of the shares at the time of the transaction was \$0.10.

In June of 2022 the Company issued an aggregate of 25,937,500 common shares at a price of \$.08 per Unit for gross proceeds of \$2,075,000. Each Unit is comprised of one common share of the Company and one Common Share purchase warrant. Each Warrant is exercisable to acquire one Common Share at a price of \$0.20 for a period of 24 months from the closing of the Offering, subject to early expiry if, commencing four months after the closing of the Offering, the daily volume weighted average trading price of the Common Shares exceeds \$0.30 for 10 consecutive trading days. Share issuance costs of \$8,400 were paid. This transaction is subject to Exchange approval.

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(expressed in Canadian Dollars)

**6. SHARE CAPITAL (Continued)****Private placements (continued)**

In December of 2022 the Company issued 2,300,000 Units in a non-brokered private placement financing of the Company at a price of \$0.045 per Unit for proceeds of \$103,500. 400,000 Units were subsequently cancelled. In addition, the Company issued 1,640,000 FT Units at a price of \$0.05 per FT Unit for proceeds of \$82,000. Each Unit is comprised of one common share of the Company and one Common Share purchase warrant. Each Warrant is exercisable to acquire one Common Share at a price of \$0.08 for a period of 24 months from the closing of the Offering. Share issuance costs of \$1,910 were paid. This transaction is subject to Exchange approval.

**Stock options and warrants**

The Company's registered stock option plan authorizes the Company to grant incentive stock options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the date of grant. The options can be granted for a maximum term of five years. Stock options granted in relation to investor relations activities vest in 25% increments over one year from the grant date; all other stock options vest immediately.

In October 2021, the Company closed the Early Warrant Exercise Incentive Plan ("EWEIP") designed to encourage the early exercise of outstanding warrants. The EWEIP enabled holders of Warrants issued in 2017, 2019 and 2020 to certain incentives for every two exercised warrants. A total of 23,517,353 Common Shares were issued under the EWEIP providing aggregate gross proceeds of \$2,565,200, which was received by the Company as at September 30, 2021. EWEIP participants opting to pay an increased exercise price equal to the original exercise price of the outstanding warrant plus \$0.02 per warrant in order to receive flow-through Common Shares provided proceeds of \$1,180,786 from the exercise of 9,673,215 outstanding warrants. EWEIP participants opting to select the non flow-through Common Shares provided proceeds of \$1,384,414 from the exercise of 13,844,138 outstanding warrants. The Company issued 11,758,672 new Incentive Warrants under the terms of the EWEIP. Each Incentive Warrant is exercisable to acquire one common share for three years at an exercise price of \$0.20. The incentive warrants have an estimated fair value of \$20,000.

The Company also issued 4,657,365 common shares on the exercise of normal warrants with an exercise price of \$0.10 providing aggregate gross proceeds of \$465,736 which was received by the Company as at September 30, 2022.

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(expressed in Canadian Dollars)

**6. SHARE CAPITAL (Continued)**

Stock option and share purchase warrant transactions are summarized as follows:

	Stock Options		Warrants	
	Number of Options	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, September 30, 2021	6,212,500	\$ 0.11	58,769,899	\$ 0.11
Expired	(4,637,500)	\$ 0.11	(661,700)	\$ 0.10
Exercised	-	-	(28,174,718)	\$ 0.10
Issued	5,600,000	\$ 0.13	39,511,797	\$ 0.20
Outstanding, September 30, 2022	7,175,000	\$ 0.13	69,445,278	\$ 0.17
Exercised	-	-	-	-
Issued	-	-	3,620,400	\$ 0.08
Expired	300,000	\$ 0.12	(23,393,506)	\$ 0.10
Outstanding, December 31, 2022	6,875,000	\$ 0.13	49,672,172	\$ 0.19
Number exercisable/fully vested	6,875,000	\$ 0.13	46,051,772	\$ 0.10

As at December 31, 2022, incentive stock options and share purchase warrants were outstanding as follows:

	Number	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
<b>Options</b>				
	375,000	\$ 0.07	December 20, 2024	1.97
	1,400,000	\$ 0.13	January 5, 2026	3.02
	5,100,000	\$ 0.13	February 15, 2027	4.13
	6,875,000			3.03
<b>Warrants</b>				
	855,600	\$ 0.10	August 27, 2023	0.65
	21,625,000	\$ 0.20	May 20, 2024	1.39
	4,312,500	\$ 0.20	June 24, 2024	1.48
	7,500,000	\$ 0.20	August 27, 2024	1.66
	11,758,672	\$ 0.20	October 12, 2024	1.78
	3,540,000	\$ 0.08	December 30, 2024	2.00
	80,400	\$ 0.08	December 30, 2024	2.00
	49,672,172			1.56

**MAS GOLD CORP.***(an exploration stage enterprise)*

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(expressed in Canadian Dollars)

**6. SHARE CAPITAL (Continued)****Stock options and warrants (continued)**

On January 6, 2021, the Company granted 3,150,000 stock options to directors, officers, and consultants exercisable at \$0.13 for a 5-year term. The options vested immediately. The options have an estimated fair value of \$0.12 per option, estimated using the Black-Scholes option pricing model with the following assumptions: risk-free rate of 0.41%, expected life of 5 years, forfeiture rate of 0% and expected volatility of 144%. The Company recorded a share-based payment expense of \$365,503 in the year ended September 30, 2021.

On February 15, 2022, the Company granted 5,600,000 stock options to directors, officers, and consultants exercisable at \$0.13 for a five-year term. The options vested immediately. The options have an estimated fair value of \$0.11 per option, estimated using the Black-Scholes option pricing model with the following assumptions: risk-free rate of 1.82%, expected life of 5 years, forfeiture rate of 0% and expected volatility of 138%. The Company recorded a share-based payment expense of \$642,599 in the year ended September 30, 2022.

The weighted average share price on the day the options were exercised was \$nil (2021 - \$0.05).

The weighted average share price on the day the warrants were exercised was \$0.10 (2021 - \$0.11).

**7. RELATED PARTY TRANSACTIONS**

During the period ended December 31, 2022 and 2021, the Company entered into the following transactions with companies owned by directors and/or officers:

	<b>2022</b>	<b>2021</b>
Consulting fees <sup>1</sup>	88,500	52,500
Due to related party <sup>2</sup>	570,000	50,000

**1** Included in accounts payable and accrued liabilities is \$nil (2021 - \$Nil) payable to companies controlled by directors and/or officers.

**2** Due to related party includes \$390,000 (2021 - \$Nil) which is an advance for expenditure expenses from Eros Resources against the Joint Venture Agreement, currently subject to Exchange approval (see Note 5); \$150,000 (2021 - \$Nil) which is a 5 year promissory note with Kitsaki Management Limited Partnership carrying a zero-interest coupon and convertible into stock on each anniversary date; and \$30,000 (2021 - \$50,000) advance from a director that is non-interest bearing, unsecured and due on demand.

The key management personnel of the Company include directors and officers of the Company. \$88,500 (2021 - \$52,500) was paid directly to key management during the period ended December 31, 2022 and 2021.



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NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(expressed in Canadian Dollars)



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**8. SEGMENTED REPORTING**

The Company presents and discloses segmental information based on information that is regularly reviewed by the management and the Board of Directors. Management and the Board of Directors have joint responsibility for allocating resources and assessing performance. The Company is of the opinion that there is a single segment of business, being the exploration and evaluation of mineral resources in Canada.

**9. COMMITMENTS**

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined under Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that are allotted for such expenditures but have not yet been spent.

In connection with the flow-through shares issued during the year ended September 30, 2021, the Company has an obligation to incur qualified expenditures of \$1,259,450 by December 20, 2022, which nil remains outstanding as at December 31, 2022.

In connection with the flow-through shares issued during the year ended September 30, 2022, the Company has an obligation to incur qualified expenditures of \$1,180,786 by October 12, 2023. The obligation was fulfilled as at December 31, 2022.

**10. SUBSEQUENT EVENTS**

There are no subsequent events to report.