



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2023 AND 2022

TSXV: NGE
OTCQB: NVDEF

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
AS AT

	January 31, 2023	April 30, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 24,077	\$ 501,371
Accounts receivable (Note 3)	6,448	14,398
Prepaid expenses (Note 4)	1,725,736	1,793,290
Short term investments (Note 5)	-	25,831
Total current assets	1,756,261	2,334,890
Non-current assets		
Equipment and intangible assets (Note 7)	111,960	158,723
Deposits and bonds (Note 9)	84,925	75,460
Total non-current assets	196,885	234,183
Total assets	\$ 1,953,146	\$ 2,569,073
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 6 and 10)	\$ 1,130,726	\$ 422,081
Short-term loan payable (Note 6)	152,768	-
Total current liabilities	1,283,494	422,081
Equity		
Capital stock (Note 12)	36,460,330	35,327,467
Reserves	4,853,773	6,395,546
Deficit	(40,644,451)	(39,576,021)
Total equity	669,652	2,146,992
Total liabilities and equity	\$ 1,953,146	\$ 2,569,073

Nature of operations, continuance of operations and going concern (Note 1)

Commitments (Notes 8 and 14)

Events after the reporting period (Note 17)

Approved and authorized on behalf of the Board on: March 24, 2023

"Benjamin Leboe" Director _____
"Darcy Higgs" Director

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three months ended January 31, 2023	Three months ended January 31, 2022	Nine months ended January 31, 2023	Nine months ended January 31, 2022
EXPENSES				
Amortization (Note 7)	\$ 16,706	\$ 18,830	\$ 51,742	\$ 84,600
Equipment and vehicles	1,244	2,557	13,681	17,484
Exploration and evaluation expenditures (Note 8)	58,959	241,831	1,288,812	1,542,544
Filing fees	20,536	24,721	59,177	65,031
Foreign exchange	5,325	229	11,805	9,626
Interest and bank charges	3,556	537	5,492	1,912
Investor relations	(49,521)	53,362	24,685	250,377
Office expenses and other	25,144	44,765	85,033	131,399
Professional fees and consultants (Note 6)	115,939	52,500	295,592	163,803
Rent	46,677	40,099	125,053	116,369
Salaries (Note 6)	45,858	91,811	202,670	255,600
Share-based payments (Note 6 and 12)	31,758	119,446	171,445	288,527
Software	15,328	30,933	84,239	\$ 98,585
Travel	7,271	9,295	22,668	15,766
Total operating expenses	(344,780)	(730,916)	(2,442,094)	(3,041,623)
OTHER ITEMS				
Consulting Income	-	-	35,035	-
Interest income	90	9	135	34
Proceeds received from royalties (Note 11)	-	-	665,683	-
Gain/(loss) on sale of equipment (Note 7)	-	182,841	-	182,841
Loss on sale of short term investments (Note 5)	-	-	(6,400)	-
Unrealized gain on short term investments (Note 5)	-	(4,296)	-	(7,108)
Total other items	90	178,554	694,453	175,767
Net loss for the period	(344,690)	(552,362)	(1,747,641)	(2,865,856)
OTHER COMPREHENSIVE LOSS				
Item that may be reclassified to profit or loss:				
Currency translation adjustment	(24,674)	59,556	48,856	36,843
Total comprehensive loss for the period	\$ (369,364)	\$ (492,806)	\$ (1,698,785)	\$ (2,829,013)
Basic and diluted loss per common share	\$ (0.05)	\$ (0.10)	\$ (0.26)	\$ (0.44)
Weighted average number of common shares outstanding	6,764,865	5,270,502	6,756,821	6,488,454

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NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Capital Stock		Reserves					Total Equity
	Shares* (Note 11)	Amount (Note 11)	Options (Note 11)	Warrants (Note 11)	Currency Translation	Total Reserves	Deficit	
Balance, May 1, 2021	5,270,503	\$ 31,767,966	\$ 1,901,709	\$ 3,259,287	\$ (43,309)	\$ 5,117,687	\$ (35,738,195)	\$ 1,147,458
Private placements	1,461,538	4,750,000	-	-	-	-	-	4,750,000
Relative fair value of unit warrants issued	-	(1,616,517)	-	1,616,517	-	1,616,517	-	-
Finder's shares	12,824	41,678	-	-	-	-	-	41,678
Finder's warrants	-	(157,073)	-	157,073	-	157,073	-	-
Warrants expired	-	26,594	-	(26,594)	-	(26,594)	-	-
Revaluation of warrants on extension	-	(148,524)	-	148,524	-	148,524	-	-
Share-based payments	-	-	288,527	-	-	288,527	-	288,527
Options expired/forfeited	-	-	(98,733)	-	-	(98,733)	98,733	-
Share issuance costs	-	(291,035)	-	-	-	-	-	(291,035)
Currency translation adjustment	-	-	-	-	36,843	36,843	-	36,843
Net loss for the period	-	-	-	-	-	-	(2,865,856)	(2,865,856)
Balance, January 31, 2022	6,744,865	\$ 34,373,089	\$ 2,091,503	\$ 5,154,807	\$ (6,466)	\$ 7,239,844	\$ (38,505,318)	\$ 3,107,615
Balance, May 1, 2022	6,744,865	\$ 35,327,467	\$ 2,192,936	\$ 4,200,429	\$ 2,181	\$ 6,395,546	\$ (39,576,021)	\$ 2,146,992
Warrants expired	-	1,058,053	-	(1,058,053)	-	(1,058,053)	-	-
Share-based payments	-	-	171,445	-	-	171,445	-	171,445
Options exercised	20,000	74,810	(24,810)	-	-	(24,810)	-	50,000
Options expired/forfeited	-	-	(679,211)	-	-	(679,211)	679,211	-
Currency translation adjustment	-	-	-	-	48,856	48,856	-	48,856
Net loss for the period	-	-	-	-	-	-	(1,747,641)	(1,747,641)
Balance, January 31, 2023	6,764,865	\$ 36,460,330	\$ 1,660,360	\$ 3,142,376	\$ 51,037	\$ 4,853,773	\$ (40,644,451)	\$ (669,652)

*On February 15, 2023, the Company completed a consolidation of its issued and outstanding common shares on a 25:1 basis. All share and per share information has been retroactively adjusted to reflect the share consolidation. (Note 17)

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Nine months ended January 31, 2023	Nine months ended January 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (1,747,641)	\$ (2,865,856)
Items not affecting cash:		
Amortization	51,742	84,600
Share-based payments	171,445	288,527
Loan interest	2,768	-
(Gain)/loss on sale of equipment	-	(182,841)
Unrealized loss (gain) on short term investments	-	7,108
Loss on sale of short-term investments	6,400	-
Changes in non-cash working capital items:		
Accounts receivable	7,950	13,763
Prepaid expenses	67,554	(1,601,189)
Accounts payable and accrued liabilities	708,645	(459,006)
Net cash used in operating activities	<u>(731,137)</u>	<u>(4,714,894)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	-	(58,225)
Proceeds on sale of equipment	-	189,910
Proceeds from sale of short-term investments	18,600	-
Net cash provided by (used in) investing activities	<u>18,600</u>	<u>131,685</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement (Note 12)	-	4,750,000
Loan proceeds	150,000	-
Share issuance costs	-	(249,357)
Proceeds from options exercised	50,000	-
Net cash provided by financing activities	<u>200,000</u>	<u>4,500,643</u>
Effect of foreign exchange	<u>35,243</u>	<u>30,819</u>
Change in cash and cash equivalents for the period	<u>(477,294)</u>	<u>(51,747)</u>
Cash and equivalents, beginning of period	<u>501,371</u>	<u>1,026,796</u>
Cash and equivalents, end of period	<u>\$ 24,077</u>	<u>\$ 975,049</u>

Supplemental cash flow information

Issuance of shares for settlement of finders' fees	\$ <u> -</u>	\$ <u> 41,678</u>
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NEVADA EXPLORATION INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

January 31, 2023

1. NATURE OF OPERATIONS, CONTINUANCE OF OPERATIONS AND GOING CONCERN

Nevada Exploration Inc. (the “Company” or “NGE”) was incorporated on April 6, 2006 under the Canada Business Corporations Act and on February 5, 2015 the Company was incorporated pursuant to the British Columbia Business Corporation Act. The Company is in the business of acquiring and exploring mineral properties.

The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “NGE” and on the OTCQB marketplace under the trading symbol “NVDEF”. The Company’s head office is located at Suite 1400 - 885 West Georgia Street, Vancouver, BC V6C 3E8. The Company’s registered and records office is located at 700 West Georgia St., 25th Floor, Vancouver, BC V7Y 1B3.

These condensed consolidated interim financial statements are authorized for issue on behalf of the Board of Directors on March 24, 2023.

Continuance of operations and going concern

These condensed consolidated interim financial statements have been prepared on a going-concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. 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 profitable mining operations. The Company’s continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically and recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. The Company has not produced revenues from its exploration activities and does not have a regular source of cash flow. The Company will periodically have to raise funds to continue operations and, although it has been successful thus far in doing so, there is no assurance it will be able to do so in the future. The Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties cast significant doubt on the Company’s ability to continue as a going concern.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and 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, unregistered claims and noncompliance with regulatory and environmental requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (IFRICs). Accordingly, they do not include all of the information required for full annual financial statements by International Financial Reporting Standards (“IFRS”) for complete financial statements for year-end reporting purposes. These condensed consolidated interim financial statements should be read in conjunction with the Company’s financial statements for the year ended April 30, 2022, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its most recent annual audited consolidated financial statements as at and for the year ended April 30, 2022 as filed on SEDAR at www.sedar.com.

NEVADA EXPLORATION INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
January 31, 2023

3. ACCOUNTS RECEIVABLE

The accounts receivable for the Company are as follows:

	January 31, 2023	April 30, 2022
GST receivable	\$ 6,448	\$ 14,398

4. PREPAID EXPENSES

The prepaid expenses for the Company are as follows:

	January 31, 2023	April 30, 2022
Security deposit for rental of premises	\$ 8,110	\$ 7,772
Prepaid drilling services	1,699,185	1,731,718
Other prepaid services	18,441	53,800
	<u>\$ 1,725,736</u>	<u>\$ 1,793,290</u>

5. SHORT TERM INVESTMENTS

	January 31, 2023			April 30, 2022		
	Number	Cost	Carrying Value	Number	Cost	Carrying Value
Spruce Ridge Resources Ltd. - Shares	-	\$ -	\$ -	170,068	\$ 25,000	\$ 13,605
Canada Nickel Company - Shares	-	\$ -	\$ -	5,557	\$ -	\$ 12,226
		<u>\$ -</u>	<u>\$ -</u>		<u>\$ 25,000</u>	<u>\$ 25,831</u>

During the period ended January 31, 2023, the Company sold 170,068 Spruce Ridge Resources Ltd. shares for total proceeds of \$10,144, resulting in a loss of \$14,856.

During the period ended January 31, 2023, the Company sold 5,557 Canada Nickel Company shares for total proceeds of \$8,456, resulting in a gain of \$8,456.

NEVADA EXPLORATION INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

January 31, 2023

6. RELATED PARTY TRANSACTIONS

During the period ended January 31, 2023, the Company:

- i) paid or accrued \$67,500 in consulting fees to a corporation of which the Chief Financial Officer is an employee.
- ii) paid or accrued \$90,000 in consulting fees to a director and a consultant related to a director.
- iii) recorded share-based payments of \$100,620 related to the fair value of stock options vesting through the period to officers, directors, and a consultant related to a director.
- iv) Received a total of \$150,000 in loans at varying dates from a consultant related to a director. Each loan has a term of six months and accrues interest at a rate of 12% per annum.

During the period ended January 31, 2022, the Company:

- v) paid or accrued \$67,500 in consulting fees to a corporation of which the Chief Financial Officer is an employee.
- vi) paid or accrued \$90,000 in consulting fees to a director and a company controlled by a director.
- vii) recorded share-based payments of \$239,079 related to the fair value of stock options vesting through the period to officers, directors, and a company controlled by a director.

The amounts included in accounts payable and accrued liabilities which are due to related parties are as follows:

	January 31, 2023	April 30, 2022
Due to corporation of which the Chief Financial Officer is an employee	\$ 47,250	\$ 7,875
Due to current and former key management	171,702	12,075
Due to officers, directors, and a consultant related to a director	111,596	10,640
	<u>\$ 330,548</u>	<u>\$ 30,590</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's President and Chief Executive Officer and Chief Discovery Officer.

Remuneration of current and former key management of the Company is as follows:

	Nine Months Ended January 31, 2023	Nine Months Ended January 31, 2022
Salaries	\$ 207,413	\$ 199,182
Share-based payments	28,455	85,366
	<u>\$ 235,868</u>	<u>\$ 284,548</u>

NEVADA EXPLORATION INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

January 31, 2023

7. EQUIPMENT AND INTANGIBLE ASSETS

	Vehicles	Exploration Equipment	Computer Equipment	Software	Total
Cost					
Balance – April 30, 2021	\$ 61,771	\$ 466,567	\$ 13,933	\$ 60,000	\$ 602,271
Disposals	-	(302,596)	(13,933)	-	(316,529)
Additions	-	60,723	-	-	60,723
Effect of translation	498	16,466	-	-	16,964
Balance – April 30, 2022	\$ 62,269	\$ 241,160	\$ -	\$ 60,000	\$ 363,429
Effect of translation	6,361	10,520	-	-	16,881
Balance – January 31, 2023	\$ 68,630	\$ 251,680	\$ -	\$ 60,000	\$ 380,310
Accumulated amortization					
Balance – April 30, 2021	\$ 61,771	\$ 319,664	\$ 13,933	\$ 4,000	\$ 399,368
Disposal	-	(295,524)	(13,933)	-	(309,457)
Amortization	-	82,338	-	20,000	102,338
Effect of translation	498	11,959	-	-	12,457
Balance – April 30, 2022	\$ 62,269	\$ 118,437	\$ -	\$ 24,000	\$ 204,706
Amortization	-	36,742	-	15,000	51,742
Effect of translation	6,361	5,541	-	-	11,902
Balance – January 31, 2023	\$ 68,630	\$ 160,720	\$ -	\$ 39,000	\$ 268,350
Carrying amounts					
As at April 30, 2022	\$ -	\$ 122,723	\$ -	\$ 36,000	\$ 158,723
As at January 31, 2023	\$ -	\$ 90,960	\$ -	\$ 21,000	\$ 111,960

8. RESOURCE PROPERTIES

Resource properties expenditures for the period ended January 31,	2023	2022
South Grass Valley	\$ 974,200	\$ 1,260,410
North Grass Valley	98,497	110,817
Kelly Creek	935	-
Awakening	112,357	94,392
Other	102,823	76,925
	<u>\$ 1,288,812</u>	<u>\$ 1,542,544</u>

South Grass Valley (SGV)

As at January 31, 2023, the Company's South Grass Valley Project consists of unpatented mining claims held directly by the Company.

North Grass Valley Project (NGV)

As at January 31, 2023, the Company's North Grass Valley Project (formerly referred to as "Grass Valley") consists of unpatented mining claims held directly by the Company.

NEVADA EXPLORATION INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

January 31, 2023

8. RESOURCE PROPERTIES (cont'd...)**Kelly Creek (KC)**

The Company has combined its former Hot Pot Project into its Kelly Creek Project, the combination of which is now together referred to as the Kelly Creek Project.

As of January 31, 2023, the Company's Kelly Creek Project consists of:

- unpatented mining claims held directly by the Company;
- unpatented mining claims leased by the Company from Genesis Gold Corporation (Genesis") through a Mining Lease and Option to Purchase Agreement (the "Genesis Agreement); and
- private land leased by the Company under a Mining Lease Agreement (the "Hot Pot Lease").

The Company entered into the Genesis Agreement on October 1, 2009 and as amended on December 29, 2014, August 25, 2015 and July 25, 2019, to acquire a 100% interest in the Genesis's Hot Pot claims. Under the Genesis Agreement, the Company is the Operator and has the option to purchase 100% of the Genesis claims for 100,000 common shares (issued) and USD\$1,500,000, subject to a 1.5% Net Smelter Return Royalty ("Royalty"), and the following advance royalty payments which have been paid on time:

1 st anniversary (October 1, 2010)	\$	5,000 USD	(paid)
2 nd anniversary (October 1, 2011)		10,000 USD	(paid)
3 rd anniversary (October 1, 2012)		10,000 USD	(paid)
4 th anniversary (October 1, 2013)		10,000 USD	(paid)
5 th to 8 th anniversary (October 1, 2014 to October 1, 2017)		10,000 USD	i) & ii)
9 th anniversary (October 1, 2018)		50,000 USD	(paid)
10 th anniversary (October 1, 2019)		Nil	iii)
11 th to 13 th anniversaries (October 1, 2020 – October 1, 2022)		20,000 USD	iii) (paid by Austin as detailed below)
14 th and subsequent anniversaries (October 1 st annually)		50,000 USD	(as adjusted for inflation)

- During the year ended April 30, 2015, the Company issued 80,000 Common shares, plus agreed to pay \$10,000 USD to satisfy the October 1, 2014 payment (paid).
- On August 25, 2015, the Company and Genesis agreed to amend the terms of the Genesis Agreement to reduce the annual payments due on October 1, 2015 (paid); October 1, 2016 (paid); and October 1, 2017 (paid), from \$50,000 USD to \$10,000 USD, subject to each party's rights under the Genesis Agreement.
- On July 25, 2019, the Company and Genesis agreed to amend the terms of the Genesis Agreement to reduce the annual payment due on October 1, 2019 from \$50,000 USD to \$Nil. Additionally, the annual payments due October 1, 2020 to October 1, 2022 have been reduced from \$50,000 USD to \$20,000 USD, whereby the Company may elect to deliver up to half of this payment in common shares of the Company. The payments due October 1, 2020 and October 1, 2021 were paid by Austin.

The Company entered into the Hot Pot Lease on September 16, 2004, for an initial term of 10 years, as amended on May 29, 2009, September 2, 2011, February 25, 2016, February 16, 2017, and June 8, 2020. Any mineral production on the project is subject to a 3% Net Smelter Return Royalty (the "NSR") to the property owner, subject to the Company's right to reduce the Royalty from 3% to 2% for \$2,000,000 USD. Under the February 25, 2016, amendment, the term of the Hot Pot Lease was extended to 20 years, until September 16, 2024. Under the February 16, 2017, amendment, additional lands were added to the Hot Pot Lease, subject to the following payments:

NEVADA EXPLORATION INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

January 31, 2023

8. RESOURCE PROPERTIES (cont'd...)**Kelly Creek (KC) (cont'd...)**

Amendment Date (February 16, 2017)	\$	5,000 USD (paid)
September 16, 2017	\$	25,000 USD (paid)
October 8, 2018	\$	30,000 USD (paid)
September 16, 2019	\$	30,000 USD (paid)
September 16, 2020	\$	30,000 USD (paid by Austin as detailed below)
September 16, 2021	\$	30,000 USD (paid by Austin as detailed below)
September 16, 2022	\$	30,000 USD (paid by Austin as detailed below)
Subsequent Anniversaries (September 16 th annually)	\$	30,000 USD

On July 8, 2020, the Company entered into an Exploration and Option to Enter Joint Venture Agreement (the “Agreement”) with Austin American Corporation (“Austin”), for an earn in and joint venture agreement on its district-scale Kelly Creek Project (the “Project”) within the Kelly Creek Basin in north-central Nevada. Under the Agreement, Austin has the right to earn a 51% interest in the joint venture by spending \$5,000,000 over four years, with the election to then earn an additional 19% by delivering a prefeasibility study. Due to delays and ongoing uncertainty surrounding Covid-19, the Company and Austin agreed to extend all deadlines under the Agreement by 12 months and to reduce the exploration expenditures required during the first year of the Agreement by 25%, which effectively reduces the exploration expenditures required to earn a 51% interest in the Project from \$5,000,000 to \$4,750,000. Under the amended Agreement, to earn a 51% joint venture interest in the Project, Austin must spend \$4,750,000 in exploration expenditures, as follows (the “Earn In”):

- \$750,000 in aggregate by September 1, 2022, which represents a firm commitment, (completed)
- \$1,750,000 in aggregate by June 1, 2023,
- \$3,250,000 in aggregate by June 1, 2024, and
- \$4,750,000 in aggregate by June 1, 2025.

During the Earn In, Austin will be the operator of the Project. Upon completing the Earn In, Austin has a one-time option to elect to earn an additional 19% interest in the joint venture, for a total of 70% (the “Additional Option”), by spending \$1,500,000 per year during the first three years of the Additional Option, and by delivering a prefeasibility study prior to June 1, 2029. At the Company’s election, which must be made within 120 days of the approval by the joint venture of a feasibility study, Austin will be obligated to provide the Company’s portion of any debt financing or arrange for third party financing of the Company’s portion of any debt financing required to construct a mine on the Project described in the feasibility study in consideration for the transfer by the Company to Austin of a 5% interest in the joint venture. If a party is diluted to a 10% interest in the joint venture, its interest will be converted to a 10% net profits interest.

Additionally, Austin is responsible for the payment of all annual claim maintenance fees as well as annual Hot Pot and Genesis lease payments as detailed above, as long as the Agreement is maintained.

The majority of the Company’s mineral interests at Kelly Creek are subject to a 1.25% NSR to Royal Gold, Inc.

Awakening (AW)

As at January 31, 2023, the Company’s Awakening Project consists of:

- unpatented mining claims held directly by the Company; and
- unpatented mining claims leased by the Company from a private third party under an Exploration and Option to Purchase Agreement (the “North Sleeper Agreement”).

NEVADA EXPLORATION INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

January 31, 2023

8. RESOURCE PROPERTIES (cont'd...)**Awakening (cont'd...)**

The Company entered into the North Sleeper Agreement on February 7, 2022 (as amended on July 5, 2022, and August 10, 2022) to acquire a 100% interest in 38 unpatented mining claims. Under the North Sleeper Agreement, the Company is the Operator and has the option to purchase 100% of the North Sleeper claims, subject to a 2% Net Smelter Return Royalty, for payments totaling USD\$800,000 over nine years. If the Company does not terminate the North Sleeper Agreement prior to February 7, 2023, a work commitment of 600 metres of drilling before February 7, 2024 becomes a firm commitment, after which if the Company elects to proceed, an additional 1,000 metres of core drilling is required to be completed prior to February 7, 2025.

Summary of payments:

Upon execution	\$30,000	(paid)
First anniversary of Effective Date (February 7, 2023)	\$30,000	
Second anniversary of Effective Date (February 7, 2024)	\$40,000	
Third anniversary of Effective Date (February 7, 2025)	\$50,000	
Fourth anniversary of Effective Date (February 7, 2026)	\$50,000	
Fifth anniversary of Effective Date (February 7, 2027)	\$100,000	
Sixth anniversary of Effective Date (February 7, 2028)	\$100,000	
Seventh anniversary of Effective Date (February 7, 2029)	\$100,000	
Eighth anniversary of Effective Date (February 7, 2030)	\$150,000	
Ninth anniversary of Effective Date (February 7, 2031)	\$150,000	

During the period ended January 31, 2023, the Company decided to relinquish its option to purchase 100% of the North Sleeper claims. By relinquishing the option to acquire the North Sleeper claims, the Company will not be subject to any further obligations.

9. DEPOSITS AND BONDS

	January 31, 2023	April 30, 2022
Security deposits ⁽¹⁾	\$ 11,500	\$ 11,500
Reclamation bond deposits ⁽²⁾	73,425	63,960
	<u>\$ 84,925</u>	<u>\$ 75,460</u>

⁽¹⁾ Security deposits consisted of \$11,500 guaranteed investment certificate (“GIC”) and bearing interest at prime less 2% to a minimum of 0%. The GIC was used to secure the credit limit on a credit card.

⁽²⁾ Reclamation bond deposits are required by the U.S. Bureau of Land Management (“BLM”) to ensure that any reclamation and clean-up work required on the Company’s properties will be completed to the satisfaction of the BLM.

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10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are as follows:

	January 31, 2023	April 30, 2022
Trade payables	\$ 800,178	\$ 59,483
Due to related parties (Note 6)	330,548	30,590
Accrued liabilities	-	332,008
Total	\$ 1,130,726	\$ 422,081

11. ROYALTIES

On September 2, 2022, the Company signed a Royalty Agreement (the “Royalty Agreement”) with Bronco Creek Exploration Inc, a wholly owned subsidiary of EMX Royalty Corporation (“EMX”).

Under the terms of the Royalty Agreement:

- i. The Company will sell a 2% net smelter return royalty covering its current portfolio of Nevada gold projects (the “Royalty”) to EMX for a purchase price of \$500,000 USD.
- ii. The Company has the right to buy back half of EMX’s 2% NSR by purchasing a 0.5% NSR interest for \$1,000,000 any time prior to the 7th anniversary of the Agreement and then, if the first NSR interest is purchased, purchasing the second 0.5% NSR interest any time prior to production for \$1,500,000.
- iii. In the case that the Company options, farms out, or sells a project subject to the Royalty to a third party, such party shall be required to pay EMX annual advance royalties as follows: \$20,000 on the first anniversary, \$30,000 on the second anniversary, \$40,000 on the third anniversary, and \$50,000 on the fourth and subsequent anniversaries.

12. CAPITAL STOCK

a) Authorized share capital:

As at January 31, 2023, the authorized share capital of the Company was:

Unlimited number of common shares without par value;
Unlimited number of preferred shares without par value; and
All issued shares are fully paid.

b) Issued share capital:

During the period ended January 31, 2023, the Company:

- Issued 20,000 common shares upon the exercise of stock options.
- Completed, subsequent to period end, a consolidation of its common shares on the basis of one (1) post consolidation common share for every twenty-five (25) pre-consolidation shares. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation. (Note 17)

12. CAPITAL STOCK (cont'd...)

b) Issued share capital (cont'd):

During the year ended April 30, 2022, the Company:

- Completed a private placement on June 17, 2021 of 1,461,538 units at a price of \$3.25 for total gross proceeds of \$4,750,000. Each unit consists of one common share and one non-transferrable share purchase warrant entitling the holder to purchase one additional common share at an exercise price of \$5.00 per share for 30 months. The securities issued at closing of the private placement were subject to a four month plus one day hold period, which expired on October 18, 2021.
- In connection with the private placement closed on June 17, 2021, the Company paid finders' fees totaling 12,824 shares, \$208,441 in cash, and 76,929 finder's warrants. The finders' warrants have an exercise price of \$3.25 per common share for 30 months and were subject to a four month plus one day hold period, which expired on October 18, 2021. The finder's warrants granted were estimated to have a fair value of \$157,073 and were accounted for as a share issuance cost.

c) Options

The Company has a stock option plan under which it is authorized to grant options to executive officers and 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, minimum price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years.

In the absence of a reliable measurement of the services received from the consultants, the following stock option grants have been measured at the fair value of the stock options issued.

During the period ended January 31, 2023 the Company:

- 20,000 stock options were exercised.
- 134,740 stock options were forfeited.

During the year ended April 30, 2022, the Company:

- Granted 10,000 stock options on June 7, 2021 to an employee of the Company. The options are exercisable at \$4.50 per share for a period of ten years from the date of grant, expiring June 7, 2031. The options vest 50% after 12 months and 50% after 24 months. These options were forfeited during the period ended January 31, 2023.
- Granted 42,000 stock options on December 9, 2021 to certain directors of the Company. The options are exercisable at \$0.10 per share for a period of ten years from the date of grant, expiring December 9, 2031. The options vest 1/3 upon grant, 1/3 after 12 months and 1/3 after 24 months. The total value recorded for options vested throughout the period is \$28,720.
- Granted 80,000 stock options on March 11, 2022 to a consultant of the Company. The options are exercisable at \$0.10 per share for a period of five years from the date of grant, expiring March 11, 2027. The options vest 1/4 after three months, 1/4 after six months, 1/4 after 9 months, and 1/4 after 12 months. The total value recorded for options vested throughout the period is \$68,455.

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12. CAPITAL STOCK (cont'd...)

c) Options (cont'd...)

A Continuity of share purchase options for the period January 31, 2023 is as follows:

Expiry date	Exercise price	April 30, 2022	Granted	Exercised	Expired/ Forfeited/	January 31, 2023	Exercisable
August 3, 2026	11.75	50,000	-	-	(13,000)	37,000	37,000
March 11, 2027	2.50	80,000	-	(20,000)	-	60,000	40,000
November 27, 2027	10.00	14,000	-	-	-	14,000	14,000
October 1, 2029	6.50	85,000	-	-	(32,000)	53,000	53,000
October 26, 2029	8.75	6,000	-	-	-	6,000	6,000
February 21, 2029	7.50	10,000	-	-	-	10,000	10,000
May 30, 2029	5.75	2,000	-	-	-	2,000	2,000
October 31, 2029	4.50	8,000	-	-	-	8,000	8,000
October 20, 2030	4.625	61,000	-	-	(24,000)	37,000	37,000
December 23, 2030	3.25	10,000	-	-	-	10,000	10,000
March 31, 2031	4.50	138,420	-	-	(55,740)	82,680	55,120
June 7, 2031	4.50	10,000	-	-	(10,000)	-	-
December 9, 2031	2.50	42,000	-	-	-	42,000	28,000
Total		516,420	-	(20,000)	(134,740)	361,680	300,120
Weighted average exercise price		\$ 5.31	\$ -	\$ 2.50	\$ 5.70	\$ 5.75	\$ 5.72

A continuity of share purchase options for the year April 30, 2022 is as follows:

Expiry date	Exercise price	April 30, 2021	Granted	Exercised	Expired/ Forfeited/	April 30, 2022	Exercisable
August 3, 2026	11.75	50,000	-	-	-	50,000	50,000
March 11, 2027	2.50	-	80,000	-	-	80,000	-
November 27, 2027	10.00	14,000	-	-	-	14,000	14,000
October 1, 2029	6.50	85,000	-	-	-	85,000	85,000
October 26, 2029	8.75	6,000	-	-	-	6,000	6,000
February 21, 2029	7.50	10,000	-	-	-	10,000	10,000
May 30, 2029	5.75	2,000	-	-	-	2,000	2,000
October 31, 2029	4.50	8,000	-	-	-	8,000	8,000
October 20, 2030	4.625	61,000	-	-	-	61,000	61,000
December 23, 2030	3.25	10,000	-	-	-	10,000	10,000
March 31, 2031	4.50	161,220	-	-	(22,800)	138,420	92,280
June 7, 2031	4.50	-	10,000	-	-	10,000	-
December 9, 2031	2.50	-	42,000	-	-	42,000	14,000
Total		407,220	132,000	-	(22,800)	516,420	352,280
Weighted average exercise price		\$ 6.25	\$ 2.75	\$ -	\$ 4.50	\$ 5.31	\$ 6.25

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12. CAPITAL STOCK (cont'd...)

c) Options (cont'd...)

The following weighted average inputs and assumptions were used for the Black-Scholes valuation of the options granted.

	January 31, 2023	April 30, 2022
Share price	-	\$2.00
Risk-free interest rate	-	1.68%
Expected life of options	-	6.97 years
Annualized volatility based on historical volatility	-	118.04%
Forfeiture rate	-	0.00%
Dividend rate	-	0.00%
Fair value per options	-	\$2.675

d) Warrants

During the period ended January 31, 2023, 411,666 warrants expired without exercise.

During the year ended April 30, 2022, the Company issued a total of 1,538,467 common share purchase warrants in connection to private placements and associated brokers warrants.

A continuity of share purchase warrants for the period ended January 31, 2023 is as follows:

Expiry date	Exercise Price	April 30, 2022	Issued	Exercised	Expired	January 31, 2023	Exercisable
July 13, 2022 ^a	11.25	52,640	-	-	(52,640)	-	-
October 9, 2022 ^b	12.50	155,053	-	-	(155,053)	-	-
June 4, 2022	12.50	116,833	-	-	(116,833)	-	-
July 1, 2022	12.50	37,140	-	-	(37,140)	-	-
January 7, 2023	4.50	50,000	-	-	(50,000)	-	-
June 23, 2023	4.50	1,106,821	-	-	-	1,106,821	1,106,821
December 16, 2023	3.25	76,929	-	-	-	76,929	76,929
December 16, 2023	5.00	1,461,538	-	-	-	1,461,538	1,461,538
Total		3,056,954	-	-	(411,666)	2,645,288	2,645,288
Weighted average exercise price		\$ 5.75	\$ -	\$ -	\$ 10.75	\$ 4.75	\$ 4.75

- a) On July 15, 2021, the Company received TSX Venture Exchange acceptance to extend the expiry date of 52,640 warrants to July 13, 2022 from July 13, 2021. As a result of this extension, the warrants were revalued using the Black-Scholes option pricing model based on the following assumptions: expected life of 0.995 years, expected volatility of 89.32%, risk-free interest rate of 0.44%, and expected dividend of \$Nil. The difference of \$31,380 between the value of the warrants based on their original remaining life and the value of the extended warrants was charged to share capital.
- b) On July 15, 2021 the Company received TSX Venture Exchange acceptance to extend the expiry date of 155,053 warrants to October 9, 2022 from October 9, 2021. As a result of this extension, the warrants were revalued using the Black-Scholes option pricing model based on the following assumptions: expected life of 1.24 years, expected volatility of 89.68%, risk-free interest rate of 0.44%, and expected dividend of \$Nil. The difference of \$117,144 between the value of the warrants based on their original remaining life and the value of the extended warrants was charged to share capital.

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12. CAPITAL STOCK (cont'd...)

d) Warrants (cont'd)

A continuity of share purchase warrants for the year ended April 30, 2022 is as follows:

Expiry date	Exercise Price	April 30, 2021	Issued	Exercised	Expired	April 30, 2022	Exercisable
February 28, 2022	7.50	206,240	-	-	(206,240)	-	-
March 6, 2022	7.50	112,560	-	-	(112,560)	-	-
July 13, 2022 ^a	11.25	54,078	-	-	(1,438)	52,640	52,640
October 9, 2022 ^b	12.50	161,470	-	-	(6,417)	155,053	155,053
March 11, 2022	12.50	35,486	-	-	(35,486)	-	-
June 4, 2022	12.50	116,833	-	-	-	116,833	116,833
July 1, 2022	12.50	37,140	-	-	-	37,140	37,140
February 25, 2022	10.00	102,437	-	-	(102,437)	-	-
January 7, 2023	12.50	50,000	-	-	-	50,000	50,000
June 23, 2023	4.50	1,106,821	-	-	-	1,106,821	1,106,821
December 16, 2023	3.25	-	76,929	-	-	76,929	76,929
December 16, 2023	5.00	-	1,461,538	-	-	1,461,538	1,461,538
Total		1,983,065	1,538,467	-	(464,578)	3,056,954	3,056,954
Weighted average exercise price		\$ 7.00	\$ 4.75	\$ -	\$ 4.50	\$ 5.75	\$ 0.23

- a) On July 15, 2021, the Company received TSX Venture Exchange acceptance to extend the expiry date of 52,640 warrants to July 13, 2022 from July 13, 2021. As a result of this extension, the warrants were revalued using the Black-Scholes option pricing model based on the following assumptions: expected life of 0.995 years, expected volatility of 89.32%, risk-free interest rate of 0.44%, and expected dividend of \$Nil. The difference of \$31,380 between the value of the warrants based on their original remaining life and the value of the extended warrants was charged to share capital.
- b) On July 15, 2021 the Company received TSX Venture Exchange acceptance to extend the expiry date of 155,053 warrants to October 9, 2022 from October 9, 2021. As a result of this extension, the warrants were revalued using the Black-Scholes option pricing model based on the following assumptions: expected life of 1.24 years, expected volatility of 89.68%, risk-free interest rate of 0.44%, and expected dividend of \$Nil. The difference of \$117,144 between the value of the warrants based on their original remaining life and the value of the extended warrants was charged to share capital.

The following weighted average inputs and assumptions were used for the Black-Scholes valuation of the warrants granted:

	January 31, 2023	April 30, 2022
Share price	-	\$3.375
Risk-free interest rate	-	0.48%
Expected life of options	-	2.5 years
Annualized volatility based on historical volatility	-	105.33%
Forfeiture rate	-	0.00%
Fair value per warrant	-	\$1.75

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13. SEGMENTED INFORMATION

The Company operates in one industry segment, being the acquisition, exploration, and development of resource properties. Geographic information is as follows:

	January 31, 2023	April 30, 2022
Current assets:		
United States	\$ 1,736,574	\$ 1,819,235
Canada	19,687	515,655
	<u>\$ 1,756,261</u>	<u>\$ 2,334,890</u>
Non-current assets:		
United States		
Equipment and intangible assets	\$ 90,960	\$ 122,723
Deposits and bonds	73,425	63,960
Canada		
Equipment and intangible assets	21,000	11,500
Deposits and bonds	11,500	36,000
	<u>\$ 1,953,146</u>	<u>\$ 2,569,073</u>

14. COMMITMENTS

As of January 31, 2023, the Company has total office lease commitments of \$26,668 ending May 31, 2023.

15. FINANCIAL RISK MANAGEMENT**Fair value**

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Short term investments are measured at level 1 of the fair value hierarchy. The fair value of short-term investments is measured at the market price of the common shares held at the measurement date. The carrying value of cash and cash equivalents, other receivables, deposits and bonds, finance lease obligations, accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

15. FINANCIAL RISK MANAGEMENT (cont'd)

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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 and cash equivalents and deposits and bonds. Management believes that the credit risk concentration with respect to cash and cash equivalents, deposits and bonds is remote as it maintains accounts with highly rated financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the normal course of business.

As at January 31, 2023, the Company had a cash and cash equivalent balance of \$24,077 (April 30, 2022 - \$501,371) to settle current liabilities of \$1,283,494 (April 30, 2022 - \$422,081). The Company will need to raise additional funds to meet its obligations as they come due.

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 equity prices.

(a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and cash equivalents, deposits and bonds and on the Company's finance lease obligations are not considered significant.

(b) Foreign currency risk

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. A significant portion of the Company's expenses is denominated in US dollars. Consequently, certain assets, liabilities and operating expenses are exposed to currency fluctuations. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. Net assets denominated in foreign currency and the Canadian dollar equivalents as at January 31, 2023 are as follows:

	USD	CDN
Current assets	\$ 1,300,805	\$ 1,736,574
Non-current assets	123,135	164,385
Current liabilities	(628,081)	(838,488)
	\$ 795,859	\$ 1,062,471

Based on the above net exposures as at January 31, 2023, and assuming all other variables remain constant, a 10% change in the value of the US dollar against the Canadian dollar would result in an increase/decrease of USD\$79,586 in comprehensive loss.

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16. CAPITAL MANAGEMENT

In order to maintain its capital structure, the Company is dependent on equity funding and, when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares and share purchase warrants, as well as incentive stock options. In the management of capital, the Company includes the components of equity as well as cash and cash equivalents.

The Company prepares annual estimates of exploration expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest any excess cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. The Company currently has insufficient capital to fund its exploration programs and is reliant on completing equity financings to fund further exploration. The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period ended January 31, 2023.

17. EVENTS AFTER THE REPORTING PERIOD

On February 15, 2023, the Company completed a consolidation of its common shares on the basis of one (1) post consolidation common share for every twenty-five (25) pre-consolidation shares. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation.

Subsequent to January 31, 2023, the Company received a loan in the amount of \$50,000 from a consultant related to a director. The loan has a term of six months and accrues interest at a rate of 12% per annum.