Westhaven Gold Corp.

(An Exploration Stage Company)

Condensed Interim Financial Statements

June 30, 2023

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

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

Westhaven Gold Corp.
(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	June 30, 2023	December 31, 2022
Assets		
Current		
Cash and cash equivalents (note 3)	$ 4,489,717	$ 3,810,775
Short-term investments (note 3)	-	4,000,000
Other receivables	91,836	217,466
BCMETC receivable (notes 6)	2,150,000	2,150,000
Prepaid expenses	41,320	-
	6,772,873	10,178,241
Reclamation Deposits (note 6)	135,000	100,000
Property and Equipment (note 4)	219,653	186,244
Right-of-Use Assets (note 5)	223,702	179,892
Mineral Properties (note 6)	26,685,677	23,940,813
	$ 34,036,905	$ 34,585,190
Liabilities		
Current		
Accounts payable and accrued liabilities (note 8)	$ 445,507	$ 521,798
Current portion of flow-through share liability (notes 7 and 10)	486,992	486,992
Current portion of lease liability (note 5)	113,161	68,108
Current portion of equipment loan (note 4)	32,408	27,620
	1,780,068	1,104,518
Non-current Portion of Lease Liability (note 5)	113,749	112,523
Non-current Portion of Equipment Loan (note 4)	72,007	90,504
	1,263,824	1,307,545
Shareholders' Equity		
Capital Stock (note 7)	38,452,315	38,179,713
Reserves (note 7)	7,284,042	6,617,543
Deficit	(12,963,276)	(11,519,611)
	32,773,081	33,277,645
	$ 34,036,905	$ 34,585,190

These financial statements are signed on behalf of the Board of Directors by:

"Gareth Thomas" (signed) *"Victor Tanaka" (signed)*

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

Westhaven Gold Corp.
(An Exploration Stage Company)
Condensed Interim Statements of Loss and Comprehensive Loss
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	Three Months Ended June 30 2023	Three Months Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Expenses				
Share-based payments	$ -	$ -	$ 478,125	$ -
Salaries and benefits (note 8)	176,645	171,511	431,185	390,277
Advertising and promotion	105,253	231,831	289,908	393,337
Professional fees	35,263	21,304	126,133	71,124
Travel	24,868	26,735	69,673	32,168
Rent (note 8)	18,230	20,530	36,460	38,760
Regulatory and filing fees	19,159	19,707	34,178	30,247
Insurance	25,521	26,029	25,710	26,029
General and administrative	12,457	10,270	22,659	20,025
Interest and bank charges (note 5)	7,102	4,705	14,006	6,548
Amortization (notes 4, 5 and 6)	5,890	2,162	10,968	4,136
	(430,388)	(534,784)	(1,539,005)	(1,012,651)
Interest Income	43,816	4,438	95,340	5,612
Gain /(loss) on sale of equipment	-	-	-	2,312
Net and Comprehensive Income/(Loss) for the Period	$ (386,572)	$ (530,346)	$ (1,443,665)	$ (1,004,727)
Basic and Diluted Loss Per Share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted Average Number of Common Shares Outstanding	140,124,873	126,701,461	140,124,873	126,701,46

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

Westhaven Gold Corp.
(An Exploration Stage Company)
Condensed Interim Statements of Changes in Shareholders' Equity
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	Capital Stock		Reserves				
	Common Shares	Amount	Warrants	Options	Total Reserves	Deficit	Total Shareholders' Equity
Balance, December 31, 2021	126,200,909	$ 33,289,924	$ 1,496,495	$ 5,196,400	$ 6,692,895	$ (10,270,259)	$ 29,712,560
Exercise of options	1,050,000	180,352	-	(75,352)	(75,352)	-	105,000
Net loss for the period	-	-	-	-	-	(1,004,727)	(1,004,727)
Balance, June 30, 2022	127,250,909	$ 33,470,276	$ 1,496,495	$ 5,121,048	$ 6,617,543	$ (11,274,986)	$ 28,812,833
Balance, December 31, 2022	139,490,756	$ 38,179,713	$ 1,496,495	$ 5,121,048	$ 6,617,543	$ (11,519,611)	$ 33,277,645
Exercise of options	1,095,589	272,802	-	(119,419)	(119,419)	-	153,383
Share-based payments	-	-	-	785,918	785,918	-	785,918
Share issue costs	-	(200)	-	-	-	-	(200)
Net loss for the period	-	-	-	-	-	(1,443,665)	(1,443,665)
Balance, June 30, 2023	140,586,345	$ 38,452,315	$ 1,496,495	$ 5,78,547	$ 7,284,042	$ (12,963,276)	$ 32,773,081

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

Westhaven Gold Corp.
(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

Six months Ended June 30,	**2023**	**2022**
Operating Activities		
Net loss for the period	$ (1,443,665)	$ (1,004,727)
Items not involving cash		
Share-based payments	478,125	-
Amortization	10,968	4,136
Accrued interest	9,595	3,978
Gain on sale of equipment	-	(2,312)
	(944,977)	(998,925)
Changes in non-cash working capital		
Other receivables	125,630	(123,881)
Prepaid expenses	(41,320)	-
Accounts payable and accrued liabilities	(21,244)	(81,043)
Cash (Used in) Provided by Operating Activities	(881,911)	(1,203,849)
Financing Activities		
Exercise of options	153,383	105,000
Share issue costs	(200)	-
Equipment loan		122,103
Repayment of equipment loan	(13,709)	(5,797)
Repayment of lease obligations	(50,000)	(67,617)
Cash Provided by Financing Activities	89,474	153,689
Investing Activities		
Expenditures on mineral properties	(2,428,645)	(2,204,569)
Expenditure on reclamation deposit	(35,000)	-
Sale of property and equipment	-	5,577
Expenditures on property and equipment	(64,976)	(119,938)
Short term investments	4,000,000	-
Cash Used in Investing Activities	1,471,379	(2,318,930)
Inflow (Outflow) of Cash	678,942	(3,369,090)
Cash, Beginning of the Period	3,810,775	3,819,676
Cash, End of the Period	$ 4,489,717	$ 450,586
Supplemental Cash Flow Information		
Accounts payable included in mineral properties	$ 400,606	$ 935,501
Share-based payments included in mineral properties	$ 307,793	-
Amortization included in mineral properties	$ 63,473	$ 21,952
Right-of-use assets recognized	$ 86,684	231,792
Interest paid	$ 1,805	$ 492
Taxes paid	$ -	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Westhaven Gold Corp. (the "Company") is an exploration stage company incorporated under the *Business Corporations Act* of British Columbia and commenced operations on May 5, 2010. The Company is engaged in the acquisition and exploration of mineral properties in Canada.

The head office and records office of the Company is located at 1056 - 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business.

The Company has sustained recurring losses and negative cash flows from operations. During the six months ended June 30, 2023, the Company incurred a net loss of $1,443,665 (2022 - $1,004,727) and, as of that date, had an accumulated deficit of $12,963,276 (2022 - $11,274,986). The Company has ongoing requirements for capital investment for its mineral property interests. The Company will need to raise substantial additional capital through equity financing to accomplish its business plan over the next several years. There can be no assurance as to the availability or terms upon which such financing might be available.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. The recoverability of amounts shown for mineral property interests is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these mineral property interests, and establish future profitable production, or realize proceeds from the disposition of mineral interests. The carrying value of the Company's mineral property interests does not reflect current or future values.

These matters indicate the existence of material uncertainties that may cast 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.

As of March 2020, the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company's business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. To date, COVID-19 has had minimal impact on the Company's exploration activities. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these financial statements, there may be further significantly adverse impacts on the Company's financial position and results of operations for future periods if the pandemic is not successfully contained or the effects of which are not mitigated.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value. Also, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company's functional and presentation currency is the Canadian dollar.

(b) Approval of the financial statements

The condensed interim financial statements of the Company as at June 30, 2023, and for the six months then ended were approved and authorized for issue by the Board of Directors on August 29, 2023.

(c) Use of judgments and estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

<u>Share-based payments</u>

The value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

2. BASIS OF PRESENTATION (Continued)

(c) Use of judgments and estimates (Continued)

Critical accounting estimates (Continued)

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Right-of-use assets and lease liability

The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability, specific to the asset, underlying currency, and geographic location. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations is estimated using a discount rate similar to the Company's specific borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in a similar environment.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Recoverability of mineral properties

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indicators of impairments. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's minerals properties.

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economic assessments/studies, accessible facilities, and existing permits.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, fund ongoing exploration activities and meet its liabilities for the ensuing year as they fall due involves judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

2. BASIS OF PRESENTATION (Continued)

(c) Use of judgments and estimates (Continued)

Critical accounting judgments (Continued)

Mining exploration tax credits and flow-through expenditures

The Company is entitled to refundable tax credits on qualified mining exploration expenses incurred in the province of British Columbia. Management's judgment is applied in determining whether the mining exploration expenses are eligible for claiming such credits. Those benefits are recognized when the Company estimates that it has reasonable assurance that the tax credits will be realized. Upon review of the mining exploration tax credit claim by the Canada Revenue Agency, any adjustments to the estimate made by the Company are recorded in the period of the tax assessment.

The Company is also required to spend proceeds received from the issuance of flow-through shares on qualifying resource expenditures. Management's judgment is applied in determining whether qualifying expenditures have been incurred. Differences in judgment between management and regulatory authorities could materially decrease mining exploration tax credits or increase the flow-through share premium liability and flow-through expenditure commitment.

Right-of-use assets and lease liability

The Company applies judgment in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's cash and cash equivalents, other receivables, accounts payable and accrued liabilities, equipment loan and lease liability have carrying values that approximate their fair values due to their short term to maturity.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk, in respect of cash and cash equivalents, by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade ratings. Concentration of credit risk exists with respect to the Company's cash and cash equivalents, as amounts are held with a single major Canadian financial institution.

(Expressed in Canadian Dollars)

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	June 30, 2023	December 31, 2022
Cash– Canadian dollars	$ 4,489,717	$ 3,810,775

(b) 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At June 30, 2023, the Company had cash in the amount of $4,489,717 (December 31, 2022- $3,810,775) and accounts payable and accrued liabilities of $445,507 (December 31, 2022 - $521,798). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of June 30, 2023. The current portions of the lease liability and equipment loan are due within a year. The amount of the Company's remaining undiscounted contractual maturities for the lease liability and equipment loan is approximately $186,000 (December 31, 2022 - $211,500) which are due between one to five years (note 10).

(c) 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 risk consists of interest rate risk, loan fixed interest rate risk, foreign currency risk and other price risk. The Company is not exposed to significant market risk.

(Expressed in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

Cost	**Computer Equipment and Software**	**Furniture and Equipment**	**Vehicles**	**Leasehold Improvements**	**Total**
As at December 31, 2021	$ 49,193	$ 57,037	$ 50,957	$ 48,393	$ 205,580
Additions during the year	26,365	-	116,527	-	142,892
Disposals during the year	-	-	(7,840)	-	(7,840)
As at December 31, 2022	75,558	57,037	159,644	48,393	340,632
Additions during the period	64,976	-	-	-	64,976
Disposals during the period	-	-	-	(48,393)	(48,393)
As at June 30, 2023	$ 140,534	$ 57,037	$ 159,644	$ -	$ 357,215
Accumulated Amortization					
As at December 31, 2021	$ 24.477	$ 25,951	$ 15,383	$ 36,160	$ 101,971
Charge for the year	11,370	6,217	27,172	12,233	56,992
Disposals during the year	-	-	(4,575)	-	(4,575)
As at December 31, 2022	35,847	32,168	37,980	48,393	154,388
Charge for the period	10,830	2,487	18,250	-	31,567
Disposals during the period	-	-	-	(48,393)	(48,393)
As at June 30, 2023	$ 46,677	$ 34,655	$ 46,230	$ 48,393	$ 137,562
Carrying Value					
As at December 31, 2022	$ 39,711	$ 24,869	$ 121,664	$ -	$ 186,244
As at June 30, 2023	$ 93,857	$ 22,382	$ 103,414	$ -	$ 219,653

(Expressed in Canadian Dollars)

4. PROPERTY AND EQUIPMENT (Continued)

During the year ended December 31, 2021, the Company entered into a loan agreement for the purchase of equipment for $18,246 payable over four years with an interest rate of 0%. The current portion of the equipment loan at June 30, 2023, is $4,379 (2022 - $4,379). The loan is secured by the equipment purchased.

During the year ended December 31, 2022, the Company entered into a loan agreement for the purchase of equipment totaling $122,103 payable over five years with an interest rate of 3.49%. The current portion of the equipment loan at June 30, 2023, is $23,650. The loan is secured by the equipment purchased.

During the six months ended June 30, 2023, $20,599 (2022 - $21,952) of amortization of property and equipment was capitalized to the Company's mineral properties.

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

Right-of-use assets		
Value of right-of-use asset as at December 31, 2021	$	33,084
Additions		215,798
Amortization		(68,990)
Value of right-of-use assets as at December 31, 2022	**$**	**179,892**
Additions		86,684
Amortization		(42,874)
Value of right-of-use assets as at June 30, 2023		**$223,702**

Lease liability		
Lease liability recognized as at December 31, 2021	$	39,180
Additions		215,798
Lease payments		(86,150)
Lease interest		11,803
Lease liability recognized as at December 31, 2022		**180,631**
Additions		86,684
Lease payments		(50,000)
Lease interest		9,595
Lease liability recognized as at June 30, 2023	**$**	**226,910**
Current portion	$	113,161
Non-current portion		113,749
	$	**226,910**

During the six months ended June 30, 2023, $42,874 (2022 - $46,362) of amortization of ROU assets was capitalized to the Company's mineral properties.

(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES

Amounts capitalized as mineral property costs are as follows:

	Shovelnose Gold Property	Prospect Valley Property	Skoonka Creek Property	Skoonka North Property	Total
Balance, December 31, 2021	$ 23,229,980	$ 752,021	$ 279,760	$ 105,051	$ 24,366,812
Deferred exploration costs					
Acquisition costs	142,958	4,277	5,969	3,078	156,282
Geological and assays	1,723,079	-	379,188	36,428	2,138,695
Drilling	6,579,672	-	529,148	-	7,108,820
Lab fees	1,398,580	-	57,287	-	1,455,867
Amortization	114,267	-	-	-	114,267
Total additions during the year	9,958,556	4,277	971,592	39,506	10,378,007
BCMETC (mining tax credits)	(2,268,678)	-	-	-	(2,268,678)
NSR (Net Smelter Royalty)	(9,249,930)	-	-	-	(9,249,930)
Net change during the year	(1,441,374)	4,277	971,592	39,506	(425,999)
Balance, December 31, 2022	**21,788,606**	**756,298**	**1,251,352**	**144,557**	**23,940,813**
Deferred exploration costs					
Acquisition costs	230,168	1,046	14,034	8,759	254,007
Geological and assays	554,550	30,011	55,186	176,175	815,922
Drilling	1,025,036	-	-	2,866	1,027,902
Lab fees	223,768	-	46,411	5,588	275,767
Share-based payments	307,793	-	-	-	307,793
Amortization	63,473	-	-	-	63,473
Total additions during the year	2,404,788	31,057	115,631	193,388	2,744,864
Net change during the period	2,404,788	31,057	115,631	193,388	2,744,864
Balance, June 30, 2023	**$ 24,193,394**	**$ 787,355**	**$ 1,366,983**	**$ 337,945**	**$ 26,685,677**

(a) Shovelnose Gold Property, British Columbia, Canada

In January 2011, the Company signed an option agreement (the “Shovelnose Agreement”) with Strongbow Exploration Inc. (“Strongbow”) whereby the Company can earn up to a 70% interest in the Shovelnose Gold Property, a mineral claim near Merritt, British Columbia, staked by Strongbow in 2005 and 2008. A director of the Company is also a director of Strongbow.

Under the terms of the Shovelnose Agreement, the Company would earn an initial 51% interest in the Shovelnose Gold Property by issuing a total of 300,000 common shares (issued) to Strongbow and incurring $1,500,000 ($750,000 incurred) in exploration expenditures on the property.

6. MINERAL PROPERTIES (Continued)

(a) Shovelnose Gold Property, British Columbia, Canada (Continued)

On September 1, 2015, the Company entered into a new purchase agreement with Cornish to acquire 100% of the Shovelnose Gold Property replacing the January 2011 agreement. Under the terms of the new agreement the Company acquired a 100% interest in the property by issuing 2,000,000 common shares (issued upon completion of the new agreement). In addition, Cornish was granted a 2% net smelter returns royalty ("NSR") on the property. The Company will retain the right to reduce the NSR to 1% by paying Cornish $500,000 at any time prior to the commencement of commercial production.

The Company has a reclamation deposit of $75,000 (2022 - $40,000) held with the Ministry of Finance relating to exploration activities completed on the Shovelnose Gold Property.

(b) Prospect Valley Gold Property, British Columbia, Canada

On September 21, 2015, the Company entered into an option and purchase agreement with Green Battery Minerals Inc. ("Green Battery") to acquire a 70% interest in the Prospect Valley Gold Property near Merritt. The Company paid $20,000 to Green Battery upon signing as per the terms of the agreement. On October 22, 2015, the Company exercised the option by making a second and final payment of $80,000 and issued 500,000 common shares at a price of $0.065 per share.

On February 16, 2016, the Company acquired the remaining 30% interest in the property for a cash payment of $40,000 and the issue of 500,000 common shares at a price of $0.07 per share.

The Company has a reclamation deposit of $35,000 (2022 - $35,000) held with the Ministry of Finance relating to exploration activities completed on the Prospect Valley property.

(c) Skoonka Creek, British Columbia, Canada

On May 24, 2017, the Company signed a purchase agreement with Cornish and Almadex Minerals Ltd. ("Almadex"), to acquire 100% interest in the Skoonka Creek gold property, located within the prospective Spences Bridge Gold Belt, British Columbia. Under the terms of the agreement, the Company issued 2,000,000 common shares (issued on May 30, 2017) at a price of $0.09 per share. Almadex retains its original NSR of 2% from future production.

The Company has a reclamation deposit of $25,000 (2022 - $25,000) held with the Ministry of Finance relating to exploration activities completed on the Skoonka Creek property.

(d) Skoonka North Gold Property, British Columbia, Canada

In May 2018, the Company staked an additional gold mineral property, Skoonka North, within the Spences Bridge Gold Belt, British Columbia.

6. MINERAL PROPERTIES (Continued)

(e) Net Smelter Return Royalty

On November 16, 2018, the Company was granted a 2.5% NSR (the "Talisker Royalty") by Sable Resources Ltd. ("Sable"). The Talisker Royalty applies to any properties of Sable or its affiliates within 5km of Westhaven's properties in the Spences Bridge Gold Belt. On October 6, 2022, the Company sold the Talisker Royalty to Franco-Nevada Corporation ("Franco-Nevada") for US$750,000.

On October 6, 2022, the Company also completed the grant and sale of a 2% NSR to Franco-Nevada for US$6,000,000. The NSR applies to all of the Company's claims across the Spences Bridge Gold Belt. The Company has an option to buy-down 0.5% of the NSR for US$3,000,000 for a period of five years from the closing of the transaction.

The total proceeds of the NSR transactions above amounted to $9,249,930 (US$6,750,000). Given the stage of the mineral property compared to the Company's other projects, management recorded the entire proceeds as a recovery in the Shovelnose Gold Property.

Realization

The Company's investment in and expenditures on the mineral property interests comprise a substantial portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interests, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interests, and future profitable production or proceeds from the disposition thereof.

Title and environmental

Although the Company has taken steps to verify the title to mineral properties in which it has or had a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and 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.

(Expressed in Canadian Dollars)

7. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the six months ended June 30, 2023, the Company issued 1,095,589 shares on the exercise of stock options for proceeds of $153,383.

On October 6, 2022, in connection with the grant and sale of the NSR to Franco-Nevada, the Company issued to Franco-Nevada 2,500,000 shares at a fair value price of $0.40 per share for gross proceeds of $1,000,000.

On July 29, 2022, the Company closed a non-brokered private placement. The Company issued 9,739,847 flow-through shares at price of $0.44 per share for gross proceeds of $4,285,532. The Company used the residual method to calculate the fair value of the tax deduction attached to the flow-through common shares and recorded a flow-through liability of $486,992. The Company paid cash finder's fees of $59,197 and other costs of $29,906 in connection with the share issue.

(c) Warrants

The following summarizes the Company's warrants as at June 30, 2023, and December 31, 2022, and changes during the period:

	June 30, 2023		**December 31, 2022**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, beginning of the year	10,689,250	$ 1.00	10,689,250	$ 1.00
Issued	-	-	-	-
Expired	(10,689,250)	$ 1.00	-	-
Outstanding and exercisable, end of the period	-	-	10,689,250	$ 1.00

(Expressed in Canadian Dollars)

7. CAPITAL STOCK (Continued)

(c) Warrants (Continued)

As at December 31, 2022, the Company had warrants outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
March 3, 2023	$1.00	10,689,250	0.17
		10,689,250	

These warrants expired unexercised on March 3, 2023.

(d) Stock options

The Company adopted a stock option plan whereby the number of options granted to one person shall not exceed 10% of the outstanding shares at the time of granting the options. If employment with the Company is terminated, other than through death, options not exercised will expire within 90 days after the termination date.

On March 20, 2023, the Company granted 3,945,00 stock options at an exercise price of $0.35 per share. The options vested March 20, 2023, and expire March 20, 2028. Share-based payments of $478,125 were charged to the statement of loss and comprehensive loss and share-based payments of $307,793 were capitalized to mineral properties.

During the six months ended June 30, 2023, the Company issued 1,095,589 shares on the exercise of stock options for total proceeds of $153,383. In relation to this exercise $119,419 was transferred from options reserve to capital stock. The weighted average share price on the date of exercise was $0.14.

During the year ended December 31, 2022, the Company issued 1,050,000 shares on the exercise of stock options for total proceeds of $105,000. In relation to this exercise $75,352 was transferred from options reserve to capital stock. The weighted average share price on the date of exercise was $0.50.

(Expressed in Canadian Dollars)

7. CAPITAL STOCK (Continued)

(d) Stock options (Continued)

The following summarizes the Company's stock options as at June 30, 2023, and December 31, 2022, and changes during the year.

	June 30, 2023		**December 31, 2022**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	8,895,589	$ 0.82	9,945,589	$ 0.74
Exercised	(1,095,589)	$ 0.02	(1,050,000)	0.10
Granted	3,945,000	$0.35	-	-
Outstanding and exercisable, end of year	11,745,000	$ 0.72	8,895,689	$ 0.82

As at June 30, 2023, the Company had options outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
November 14, 2023	$1.20	2,900,000	0.38
July 8, 2024	$0.70	200,000	1.02
December 23, 2024	$0.85	1,250,000	1.48
May 20, 2025	$0.80	475,000	1.89
August 10, 2025	$0.95	260,000	2.12
April 22, 2026	$0.70	2,315,000	2.81
November 29, 2026	$0.50	400,000	3.42
March 20, 2028	$0.35	3,945,000	4.73
		11,745,000	2.65

(Expressed in Canadian Dollars)

7. CAPITAL STOCK (Continued)

The options granted during the six months ended June 30, 2023, vested on grant and the fair value was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	June 30, 2023
Expected life (years)	5
Interest rate	2.96%
Volatility	86%
Dividend yield	0%
Forfeiture rate	0%
Market value of common shares at grant date	$0.30
Fair value	$0.199

Volatility has been calculated based on the historical volatility of the Company. Interest rates represent rates from the Bank of Canada on bonds with a similar term. The dividend yield represents the expected dividends to be paid by the Company.

8. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties in addition to those discussed elsewhere in the condensed interim financial statements.

Key management compensation

During the six months ended June 30, 2023, and 2022, short-term employee benefits for key management compensation, and directors' fees, were incurred as follows:

		2023	2022
Gareth Thomas (CEO)	Salary and Bonus	$ 144,524	$ 130,000
Shaun Pollard (CFO)	Salary and Bonus	144,524	130,000
Victor Tanaka (Director)	Fees	6,458	3,000
Hannah McDonald (Director)	Fees	6,458	3,000
Paul McRae (Director)	Fees	6,458	3,000
Grenville Thomas (Director)	Fees	4,989	0
Total key management compensation		$ 313,411	$ 269,000

8. RELATED PARTY TRANSACTIONS (Continued)

In addition to the above costs, the Company paid $36,460 (2022 - $36,460) of rent and office expenditures to Anglo Celtic Exploration Ltd. ("Anglo"). Anglo is a company controlled by Grenville Thomas, a director of the Company, and Gareth Thomas, CEO.

December 31, 2022, $14,635 (June 30, 2023 - nil) in respect of fees and expense reimbursements were due to key management and included in accounts payable and accrued liabilities. The amounts are non-interest bearing and subject to normal trade terms.

9. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the six months June 30, 2023, or the year ended December 31, 2022. The Company is not subject to externally imposed capital requirements.

10. COMMITMENTS

On May 14, 2023, the Company entered into a two-year lease for building space associated with the Shovelnose project.

During the year ended December 31, 2022, the Company entered into three one-year leases for building space associated with the Shovelnose project. Given the lease terms do not exceed one year, the Company elected to not apply IFRS 16 to these leases.

On December 12, 2019, the Company entered into a three-year lease for building space associated with the Shovelnose project. On September 14, 2022, the lease was extended for an additional three years.

On June 2, 2020, the Company entered a two-year lease for building space. On June 1, 2022, this lease was extended for an additional three years.

(Expressed in Canadian Dollars)

10. COMMITMENTS (Continued)

At June 30, 2023, under the terms of the leases noted above, the Company is committed to the following annual lease payments plus additional occupancy costs:

2023	$ 99,145
2024	$ 132,000
2025	$ 66,900

During the year ended December 31, 2022, the Company entered into a loan to purchase equipment. The Company is committed to payments of $1,025 bi-weekly until May 13, 2027.

During the year ended December 31, 2021, the Company entered into a loan to purchase equipment. The Company is committed to payments of $365 per month until June 30, 2025.

On July 29, 2022, the Company issued flow-through shares which require the Company to incur qualifying exploration expenditures of $4,285,532 by December 31, 2023. At June 30, 2023, the Company had allocated $2,427,384 in qualifying expenditures to the commitment leaving $1,858,148 of remaining qualifying expenditures to incur in 2023.

On June 16, 2020, the Company issued flow-through shares which require the Company to incur qualifying exploration expenditures of $5,175,315 within 24 months. As at December 31, 2022, the Company had $nil (2021 - $3,175,315) of remaining qualifying expenditures to spend. As a result of satisfying the flow-through obligation, the premium on flow-through shares of $601,639 was recognized in income during the year ended December 31, 2022.

11. SEGMENTED REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities. The Company's long-term assets are in Canada.