



**KENORLAND MINERALS LTD.**

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

**(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)**

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## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim consolidated 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 the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

**KENORLAND MINERALS LTD.**

Condensed Interim Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars - Unaudited)

	Note	March 31, 2023	December 31, 2022
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		24,017,515	24,133,235
Receivables	3, 9	2,899,798	2,426,376
Prepaid expenses		1,474,639	1,301,249
		<b>28,391,952</b>	<b>27,860,860</b>
<b>Investments</b>	4	11,507,585	12,984,844
<b>Investment in associates</b>	5	1,041,871	1,061,550
<b>Exploration and evaluation assets</b>	6	14,061,838	13,626,109
<b>Equipment</b>		37,049	17,468
		<b>55,040,295</b>	<b>55,550,831</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7, 9	3,910,806	1,865,404
Advances received	6	5,529,580	5,996,749
Current income tax liability		528,608	389,608
		<b>9,968,994</b>	<b>8,251,761</b>
<b>Deferred income tax liability</b>		1,788,000	2,325,000
		<b>11,756,994</b>	<b>10,576,761</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	30,618,927	30,618,927
Reserves	8	4,141,547	3,225,248
Retained earnings		8,522,827	11,129,895
		<b>43,283,301</b>	<b>44,974,070</b>
		<b>55,040,295</b>	<b>55,550,831</b>

**Nature and continuance of operations (Note 1) and subsequent event (Note 14)**

**Approved and authorized for issuance by the Board of Directors on May 24, 2023.**

“Jessica Van Den Akker”  
Director

“Jay Sujir”  
Director

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

**KENORLAND MINERALS LTD.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars - Unaudited)

		For the three months ended March 31,	
	Note	2023	2022
		\$	\$
<b>Revenue</b>	9	576,245	431,190
<b>Operating expenses</b>			
Conference and marketing		76,447	65,935
Consulting		126,066	23,700
Depreciation		1,819	8,154
Foreign exchange loss		146	5,331
Insurance		17,965	11,383
Interest on lease liability		-	176
Management fees	9	16,500	25,500
Office expenses		65,424	33,405
Professional fees		24,273	61,636
Project generation		24,035	3,587
Salaries and benefits	9	509,273	352,748
Share-based compensation	8, 9	916,299	422,856
Transfer agent and filing fees		13,357	14,783
Travel and related		6,927	15,214
		(1,798,531)	(1,044,408)
<b>Loss from operations</b>		(1,222,286)	(613,218)
<b>Other income (expenses)</b>			
Gain on sales of mineral claims	6	2,791,521	100,000
Interest and other income		190,133	31
Net change in fair value of investments	4	(4,322,552)	28,021
Equity loss in investment in associates	5	(19,679)	(42,796)
Impairment of exploration and evaluation assets	6	(22,205)	-
		(1,382,782)	85,256
<b>Loss and comprehensive loss before income taxes</b>		(2,605,068)	(527,962)
Income tax recovery (expense)		(539,000)	-
Deferred income tax recovery		537,000	-
<b>Net loss for the period</b>		<b>(2,607,068)</b>	<b>(527,962)</b>
<b>Basic and diluted loss per share</b>		<b>(0.04)</b>	<b>(0.01)</b>
<b>Weighted average number of common shares outstanding (basic and diluted)</b>		<b>62,589,946</b>	<b>51,603,418</b>

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

**KENORLAND MINERALS LTD.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity  
(Expressed in Canadian Dollars - Unaudited)

	<b>Number of Shares Issued</b>	<b>Share Capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Shareholders' Equity</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance, December 31, 2021</b>	<b>51,603,418</b>	<b>23,091,109</b>	<b>2,635,983</b>	<b>(5,237,613)</b>	<b>20,489,479</b>
Share-based compensation	-	-	364,699	-	364,699
Net loss for the period	-	-	-	(527,962)	(527,962)
<b>Balance, March 31, 2022</b>	<b>51,603,418</b>	<b>23,091,109</b>	<b>3,000,682</b>	<b>(5,765,575)</b>	<b>20,326,216</b>
Shares issued for cash	10,720,445	7,504,648	-	-	7,504,648
Share issuance costs	-	(273,547)	-	-	(273,547)
Options exercised	50,000	21,793	(9,293)	-	12,500
Shares issued for RSUs vested	150,000	103,500	-	-	103,500
Shares issued for exploration and evaluation assets	66,083	48,241	-	-	48,241
Warrants expired	-	123,183	(123,183)	-	-
Options expired	-	-	(126,548)	126,548	-
Share-based compensation	-	-	483,590	-	483,590
Net income for the period	-	-	-	16,768,922	16,768,922
<b>Balance, December 31, 2022</b>	<b>62,589,946</b>	<b>30,618,927</b>	<b>3,225,248</b>	<b>11,129,895</b>	<b>44,974,070</b>
Share-based compensation	-	-	916,299	-	916,299
Net loss for the period	-	-	-	(2,607,068)	(2,607,068)
<b>Balance, March 31, 2023</b>	<b>62,589,946</b>	<b>30,618,927</b>	<b>4,141,547</b>	<b>8,522,827</b>	<b>43,283,301</b>

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

**KENORLAND MINERALS LTD.**Condensed Interim Consolidated Statements of Cash Flows  
(Expressed in Canadian Dollars - Unaudited)

	For the three months ended March 31,	
	2023	2022
	\$	\$
<b>Cash flows used in operating activities</b>		
Net loss for the period	(2,607,068)	(527,962)
Adjustments for items not affecting cash		
Depreciation	1,819	8,154
Net change in fair value of investments	4,322,552	(28,021)
Gain on sale of mineral claims	(2,791,521)	(100,000)
Share-based compensation	916,299	422,856
Interest on lease liability	-	176
Equity loss in investment in associates	19,679	42,796
Deferred income tax recovery	(537,000)	-
Impairment of exploration and evaluation assets	22,205	-
Change in non-cash working capital items		
Receivables	(473,422)	(470,924)
Prepaid expenses	(173,390)	(42,630)
Accounts payable and accrued liabilities	(589,604)	47,512
Current income tax liability	139,000	-
	<b>(1,750,453)</b>	<b>(648,043)</b>
<b>Cash flows used in investing activities</b>		
Exploration and evaluation assets expenditures	(2,997,869)	(3,798,218)
Advances received for exploration and evaluation assets expenditures	4,404,000	2,700,847
Option and sale proceeds received	250,000	-
Purchase of equipment	(21,400)	(12,928)
	<b>1,634,733</b>	<b>(1,110,299)</b>
<b>Cash flows provided by financing activities</b>		
Repayment of lease liabilities	-	(7,618)
	-	(7,618)
<b>Change in cash during the period</b>	<b>(115,720)</b>	<b>(1,765,960)</b>
<b>Cash, beginning of the period</b>	<b>24,133,235</b>	<b>9,418,796</b>
<b>Cash, end of the period</b>	<b>24,017,515</b>	<b>7,652,836</b>

**Supplemental disclosure with respect to cash flows (Note 12)**

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

## **KENORLAND MINERALS LTD.**

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023

(Expressed in Canadian Dollars - Unaudited)

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

Kenorland Minerals Ltd. (the “Company” or “Kenorland”) was incorporated on May 29, 2018 under the Business Corporations Act of British Columbia. Its principal business activity is the acquisition and exploration of mineral properties. The Company is listed for trading on the TSX Venture Exchange (“TSX-V”), Frankfurt Stock Exchange, and OTCQX under the symbol “KLD.V”, “3WQ0”, and “KLDCF”, respectively.

The head office of the Company is located at 1570 – 1111 West Georgia Street, Vancouver, B.C., V6E 4M3 and the registered and records office of the Company is located at 2080 – 777 Hornby Street, Vancouver B.C., V6Z 1S4.

The Company’s exploration and evaluation assets are at the exploration stage and are without a known body of commercial ore. The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The amounts shown as exploration and evaluation assets costs represent acquisition, holding and deferred exploration costs and do not necessarily represent present or future recoverable values. The recoverability of the amounts shown for exploration and evaluation assets costs is dependent upon the Company obtaining the necessary financing to complete the exploration and development of the properties, the discovery of economically recoverable reserves and future profitable operations.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2023, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and raise equity capital or borrowings sufficient to meet current and future obligations. There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic from March 2020, and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and its effect on the Company’s business or ability to raise funds. So far, the Company has had minimal or no impact due to these issues.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Management estimates its current working capital will be sufficient to fund its current level of activities for the next twelve months.



## KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023

(Expressed in Canadian Dollars - Unaudited)

### 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these condensed interim consolidated financial statements.

#### Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB").

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual audited financial statements of the Company for the years ended December 31, 2022 and 2021.

These condensed interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on May 24, 2023.

#### Basis of presentation

These condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

#### Basis of consolidation

The condensed interim consolidated financial statements include the financial statements of the Company and the following subsidiaries:

Name	Jurisdiction	Percentage owned	
		March 31, 2023	December 31, 2022
Kenorland Minerals North America Ltd.	Canada	100%	100%
1223437 B.C. Ltd.	Canada	100%	100%
Northway Resources Alaska Corporation	USA	100%	100%
1118892 B.C. Ltd.	Canada	100%	100%
Kenorland Minerals USA Inc.	USA	100%	100%

All intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

#### Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

## **KENORLAND MINERALS LTD.**

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023

(Expressed in Canadian Dollars - Unaudited)

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### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Use of estimates (continued)**

The most significant accounts that require estimates and judgements as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, determination of functional currency, level of control or influences over companies, going concern of operations, valuation of share-based compensation and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements are as follows:

#### Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

#### Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions within the reporting entity.

#### Level of control or influence over companies

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting.

#### Going concern of operations

The condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption is not appropriate for the condensed interim consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statements of financial position classifications used (Note 1).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

#### Valuation of share-based compensation

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, risk-free interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

## KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023

(Expressed in Canadian Dollars - Unaudited)

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Use of estimates (continued)

##### Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

##### **Foreign currency translation**

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

##### **Standards issued or amended but not yet effective**

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

### 3. RECEIVABLES

	March 31, 2023	December 31, 2022
	\$	\$
Accounts receivable	89,950	179,555
Accrued receivable	600,495	600,495
Sales tax receivable	2,209,353	1,646,326
	<b>2,899,798</b>	<b>2,426,376</b>

## KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023

(Expressed in Canadian Dollars - Unaudited)

### 4. INVESTMENTS

A summary of the Company's investment in equity instruments is as follows:

	Marketable Securities				Warrants	Private Company Investments		Total
	Kingfisher	Li-FT Power	Jayden	Targa	Troilus	Superior Nickel	J2 Metals	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2021</b>	60,000	-	-	-	80,559	266,500	810,748	1,217,807
Addition	100,000	3,503,826	833,617	-	-	-	-	4,437,443
Proceeds from sale of equity investments	-	(8,954,980)	-	-	-	-	-	(8,954,980)
Realized gain on sale of equity investments	-	7,454,980	-	-	-	-	-	7,454,980
Change in fair value of investments	(90,000)	9,017,217	(27,787)	-	(69,836)	-	-	8,829,594
<b>Balance as at December 31, 2022</b>	<b>70,000</b>	<b>11,021,043</b>	<b>805,830</b>	-	<b>10,723</b>	<b>266,500</b>	<b>810,748</b>	<b>12,984,844</b>
Addition	-	-	-	2,845,293	-	-	-	2,845,293
Change in fair value of investments	3,500	(3,005,739)	(194,510)	(1,138,118)	12,315	-	-	(4,322,552)
<b>Balance as at March 31, 2023</b>	<b>73,500</b>	<b>8,015,304</b>	<b>611,320</b>	<b>1,707,175</b>	<b>23,038</b>	<b>266,500</b>	<b>810,748</b>	<b>11,507,585</b>

#### Targa Exploration Corp.

In January 2023, the Company received 4,377,375 shares of Targa Exploration Corp. ("Targa") at a fair value of \$0.65 per share in connection with the option agreement of the Targa Projects entered in October 2022 (Note 6).

### 5. INVESTMENT IN ASSOCIATES

A summary of the Company's investment in associates is as follows:

	Prospector	Koulou	Total
	\$	\$	\$
<b>Balance as at December 31, 2021</b>	794,899	422,258	1,217,157
Equity loss	(31,731)	(123,876)	(155,607)
<b>Balance as at December 31, 2022</b>	<b>763,168</b>	<b>298,382</b>	<b>1,061,550</b>
Equity income (loss)	2,258	(21,937)	(19,679)
<b>Balance as at March 31, 2023</b>	<b>765,426</b>	<b>276,445</b>	<b>1,041,871</b>

## KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023

(Expressed in Canadian Dollars - Unaudited)

### 5. INVESTMENT IN ASSOCIATES (continued)

#### Prospector Royalty Corp.

In January 2021, the Company acquired a 45% interest in Prospector Royalty Corp. ("Prospector") by paying \$45,000. In August 2021, Gold Royalty Corp. subscribed for 12.5% of Prospector for \$2,000,000. As a result, the Company's ownership was diluted to 39.38% and recorded a dilution gain of \$782,997 representing the increase of net assets in Prospector.

Prospector's financial information as at December 31, 2022 and March 31, 2023 and income (loss) and comprehensive income (loss) for the year ended December 31, 2022 and for the three months ended March 31, 2023 are as follows:

	March 31, 2023	December 31, 2022
	\$	\$
Cash	1,745,906	1,761,777
Other current assets	7,408	7,246
Non-current assets	203,500	203,500
Total assets	1,956,814	1,972,523
Current liabilities	(12,877)	(34,321)
Net assets	1,943,937	1,938,202
Income (loss) and comprehensive income (loss) for the period	5,734	(80,586)
Company's share of income (loss) during the period	2,258	(31,731)

#### Koulou Gold Corp.

As at December 31, 2022 and March 31, 2023, the Company owns 9,000,000 shares of Koulou Gold Corp. ("Koulou Gold"), which is equivalent to 20% ownership in Koulou Gold. As a result, the Company has significant influence over Koulou Gold, resulting in Koulou Gold being recorded on the Company's consolidated financial statements as an investment in associate.

Koulou Gold's financial information as at December 31, 2022 and March 31, 2023 and loss and comprehensive loss for the year ended December 31, 2022 and for the three months ended March 31, 2023 are as follows:

	March 31, 2023	December 31, 2022
	\$	\$
Cash	1,057,487	1,164,056
Other current assets	21,496	17,251
Non-current assets	418,905	418,995
Total assets	1,497,888	1,600,302
Current liabilities	(24,563)	(42,796)
Net assets	1,473,325	1,557,506
Loss and comprehensive loss for the period	(109,121)	(616,201)
Company's share of loss during the period	(21,937)	(123,876)

## KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023

(Expressed in Canadian Dollars - Unaudited)

### 6. EXPLORATION AND EVALUATION ASSETS

The Company's costs and expenditures for the periods related to exploration and evaluation of mineral properties are as follows:

	Chebistuan	Chicobi	Frotet	Hunter	Lac Fagnant	O'Sullivan	Others	Rupert
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2021</b>	<b>214,708</b>	<b>82,107</b>	<b>1,669,913</b>	<b>335,480</b>	<b>21,830</b>	<b>281,800</b>	-	-
Acquisition costs	-	-	250,000	-	-	-	-	-
Exploration expenditures:								
Assays	56,430	65,030	1,031,641	109,181	-	6,781	5,777	12,036
Camp and heavy equipment	4,500	43,243	1,031,235	119,812	-	-	87,965	-
Consulting and personnel	71,192	214,637	2,762,462	388,750	-	29,202	19,579	17,500
Drilling	93,000	386,552	4,112,997	939,200	-	-	-	-
Fuel	-	134	152,805	1,456	-	-	29,363	-
Geophysics	132,899	19,095	359,523	-	-	132,568	233,367	-
Helicopter and fixed wing	9,293	-	-	-	-	-	172,675	-
Site development and reclamation	5,411	30,892	78,210	53,947	-	2,021	2,760	840
Staking and claim maintenance	1,582	1,847	49,350	469	-	870	701,103	69
Supplies	4,718	84,170	736,840	88,799	-	48	33,048	-
Travel and accommodations	1,933	6,006	130,259	80,776	-	1,648	-	-
	380,958	851,606	10,695,322	1,782,390	-	173,138	1,285,637	30,445
Contribution received from optionees	(380,958)	(851,606)	-	(1,782,390)	-	-	-	(30,445)
Contribution from joint venture partner	-	-	(8,746,475)	-	-	-	-	-
Refundable mining tax credit	-	-	(511,805)	(109,272)	-	(17,356)	-	-
Consideration received	-	-	-	-	-	-	(125,000)	-
Gain on sale of mineral properties	-	-	-	-	-	-	56,695	-
<b>Balance as at December 31, 2022</b>	<b>214,708</b>	<b>82,107</b>	<b>3,106,955</b>	<b>226,208</b>	<b>21,830</b>	<b>437,582</b>	<b>1,217,332</b>	-

## KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements  
For the three months ended March 31, 2023  
(Expressed in Canadian Dollars - Unaudited)

### 6. EXPLORATION AND EVALUATION ASSETS (continued)

	Separation Rapids	South Thompson	South Uchi	Total Canada	Tanacross	Healy	Total USA	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2021</b>	-	28,546	243,745	2,878,129	1,675,888	6,038,796	7,714,684	10,592,813
Acquisition costs	-	-	98,241	348,241	-	-	-	348,241
Exploration expenditures:								
Assays	59,067	34,779	-	1,380,722	59,800	50,215	110,015	1,490,737
Camp and heavy equipment	24,090	-	-	1,310,845	59,202	-	59,202	1,370,047
Consulting and personnel	131,789	-	-	3,635,111	644,653	2,783	647,436	4,282,547
Drilling	-	-	-	5,531,749	-	-	-	5,531,749
Fuel	20,702	-	-	204,460	7,432	-	7,432	211,892
Geophysics	37,330	6,210	-	920,992	378,653	-	378,653	1,299,645
Helicopter and fixed wing	89,684	-	-	271,652	47,174	-	47,174	318,826
Site development and reclamation	5,008	2,790	-	181,879	183	10,623	10,806	192,685
Staking and claim maintenance	96,295	201,416	1,886	1,054,887	429,503	156,124	585,627	1,640,514
Supplies	14,108	-	-	961,731	329,210	2,131	331,341	1,293,072
Travel and accommodations	17,076	-	-	237,698	89,193	-	89,193	326,891
	495,149	245,195	100,127	16,039,967	2,045,003	221,876	2,266,879	18,306,846
Contribution received from optionees	(400,697)	-	-	(3,446,096)	-	-	-	(3,446,096)
Contribution from joint venture partner	-	-	-	(8,746,475)	(2,014,509)	-	(2,014,509)	(10,760,984)
Refundable mining tax credit	-	-	-	(638,433)	-	-	-	(638,433)
Consideration received	(100,000)	-	(200,000)	(425,000)	(65,280)	-	(65,280)	(490,280)
Gain on sale of mineral properties	5,548	-	-	62,243	-	-	-	62,243
<b>Balance as at December 31, 2022</b>	-	273,741	143,872	5,724,335	1,641,102	6,260,672	7,901,774	13,626,109

## KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023

(Expressed in Canadian Dollars - Unaudited)

### 6. EXPLORATION AND EVALUATION ASSETS (continued)

	Chebistuan	Chicobi	Frotet	Hunter	Lac Fagnant	O'Sullivan	Others	Separation Rapids
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2022</b>	<b>214,708</b>	<b>82,107</b>	<b>3,106,955</b>	<b>226,208</b>	<b>21,830</b>	<b>437,582</b>	<b>1,217,332</b>	<b>-</b>
Acquisition costs	-	-	-	-	-	-	-	-
Exploration expenditures:								
Assays	20,903	-	79,089	10,536	-	-	-	-
Camp and heavy equipment	145,026	7,631	221,358	-	-	-	-	-
Consulting and personnel	520,332	23,921	1,334,501	31,543	-	42,835	-	12,431
Drilling	256,640	-	1,135,394	7,938	-	-	-	-
Fuel	10,333	-	145,638	-	-	-	-	-
Geophysics	-	-	-	-	-	207,951	-	-
Site development and reclamation	1,764	3,997	27,630	17,055	-	-	5,531	1,945
Staking and claim maintenance	668	11,193	401,517	448	375	473	88,864	9,258
Supplies	89,444	39	293,161	97	-	-	-	-
Travel and accommodations	26,380	-	79,758	657	-	-	-	-
	1,071,490	46,781	3,718,046	68,274	375	251,259	94,395	23,634
Contribution received from optionees	(1,071,490)	(46,781)	-	(68,274)	-	(399,504)	-	(23,634)
Contribution from joint venture partner	-	-	(3,038,844)	-	-	-	-	-
Consideration received	-	-	-	-	-	-	(2,945,294)	-
Gain on sale of mineral properties	-	-	-	-	-	-	2,791,521	-
Write off on mineral properties	-	-	-	-	(22,205)	-	-	-
<b>Balance as at March 31, 2023</b>	<b>214,708</b>	<b>82,107</b>	<b>3,786,157</b>	<b>226,208</b>	<b>-</b>	<b>289,337</b>	<b>1,157,954</b>	<b>-</b>



**KENORLAND MINERALS LTD.**

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(Expressed in Canadian Dollars - Unaudited)

**6. EXPLORATION AND EVALUATION ASSETS (continued)**

	South Thompson	South Uchi	Total Canada	Tanacross	Healy	Total USA	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2022</b>	<b>273,741</b>	<b>143,872</b>	<b>5,724,335</b>	<b>1,641,102</b>	<b>6,260,672</b>	<b>7,901,774</b>	<b>13,626,109</b>
Acquisition costs	-	100,000	100,000	-	-	-	100,000
Exploration expenditures:							
Assays	-	-	110,528	-	-	-	110,528
Camp and heavy equipment	-	-	374,015	-	-	-	374,015
Consulting and personnel	-	-	1,965,563	151,229	-	151,229	2,116,792
Drilling	-	-	1,399,972	35,514	-	35,514	1,435,486
Fuel	-	-	155,971	-	-	-	155,971
Geophysics	26,889	-	234,840	27,690	-	27,690	262,530
Site development and reclamation	3,556	-	61,478	2,624	-	2,624	64,102
Staking and claim maintenance	-	5,400	518,196	-	135	135	518,331
Supplies	-	-	382,741	5,585	-	5,585	388,326
Travel and accommodations	-	-	106,795	-	-	-	106,795
	30,445	105,400	5,410,099	222,642	135	222,777	5,632,876
Contribution received from optionees	-	-	(1,609,683)	(222,642)	-	(222,642)	(1,832,325)
Contribution from joint venture partner	-	-	(3,038,844)	-	-	-	(3,038,844)
Consideration received	-	(150,000)	(3,095,294)	-	-	-	(3,095,294)
Gain on sale of mineral properties	-	-	2,791,521	-	-	-	2,791,521
Write off on mineral properties	-	-	(22,205)	-	-	-	(22,205)
<b>Balance as at March 31, 2023</b>	<b>304,186</b>	<b>99,272</b>	<b>6,159,929</b>	<b>1,641,102</b>	<b>6,260,807</b>	<b>7,901,909</b>	<b>14,061,838</b>

## **KENORLAND MINERALS LTD.**

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### **6. EXPLORATION AND EVALUATION ASSETS (continued)**

#### **Chebistuan Property, Quebec, Canada**

The Chebistuan Property is located in Quebec and was acquired by nominal staking costs and acquisition from arm's length vendors. Certain mineral claims are subject to a 2% on net smelter return royalty and half of the royalty (1.0%) can be redeemed at the Company's discretion for consideration of \$1,000,000 payable in cash. The Company holds the right of first refusal over this same 1% of royalty.

In July 2020, and later amended in June 2021, the Company entered into an exploration with venture option agreement with Newmont Corporation ("Newmont") wherein Newmont can earn up to an 80% interest in the Chebistuan Property. Under the agreement, the Company is the operator and will be compensated based on exploration expenditures incurred. In order to acquire an 80% interest, Newmont must make exploration expenditures as follows:

- a) to acquire an undivided 51% interest, advance the Company a minimum of \$700,000 in qualifying expenditures to complete the geochemical sampling work (advanced); approval of the geochemical sampling work; and incur or advance the Company an additional \$2,000,000 in qualifying exploration expenditures (funded).
- b) to acquire an additional undivided 29% interest (for a total undivided interest of 80%), incur additional qualifying exploration expenditures to furnish the Company with a NI43-101-compliant prefeasibility study demonstrating the Chebistuan Property contains an inferred resource of at least 1,500,000 gold ounces.

#### **Chicobi Property, Quebec, Canada**

The Company held a 100% interest in mining claims located northeast of the town of Amos, Quebec.

In February 2019, the Company entered into an earn in and joint venture exploration agreement with Sumitomo Metal Mining Canada Limited ("SMMCL"). Under the agreement, SMMCL can earn up to a 70% interest in the Chicobi Property by making exploration expenditures as follows:

- a) to acquire an undivided 51% interest, SMMCL must fund an aggregate of \$4.9 million in expenditures on the Chicobi Property on or before May 31, 2022 (funded and earned).
- b) to acquire an additional undivided 19% interest (for a total undivided interest of 70%), SMMCL must, within 90 days following the completion of acquiring 51% interest, notify the Company that they will fund an aggregate of an additional \$10 million in expenditures on the property within three years.

If the participating interest in the joint venture property of any party is diluted to 10% or less whether by reason of failure to complete funding contribution requirements or default, the participating interest will be deemed to have been automatically converted to a 2% net smelter return royalty in favor of the other party in respect of minerals produced from the property. If the party whose participating interest is forfeited, they will be deemed to have abandoned the property and the full benefit, ownership and title of the property shall be deemed to have passed to the other party for the payment of good and valuable consideration.

In July 2022, SMMCL notified the Company that SMMCL would not exercise the right to earn the additional 19% interest. The parties formed a joint venture on a 49/51 basis and the Company will remain the operator.

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### **6. EXPLORATION AND EVALUATION ASSETS (continued)**

#### **Frotet Property, Quebec, Canada**

The Frotet Property is located north of Chibougamau, Quebec.

In April 2018, the Company entered in an earn in and joint venture exploration agreement with SMMCL. Under the agreement, SMMCL can earn up to an 80% interest in the Frotet Property by incurring total exploration expenditures of \$8.3 million. In April 2021, SMMCL completed the earn in of an 80% interest by funding an aggregate of \$8.3 million in expenditures on the Frotet Property. The Company and SMMCL will fund future exploration expenditures based on a 20/80 basis and the Company will remain the operator.

If the participating interest in the joint venture property of any party is diluted to 10% or less whether by reason of failure to complete funding contribution requirements or default, the participating interest will be deemed to have been automatically converted to a 2% net smelter return royalty in favor of the other party in respect of minerals produced from the property. If the party whose participating interest is forfeited, they will be deemed to have abandoned the property and the full benefit, ownership and title of the property shall be deemed to have passed to the other party for the payment of good and valuable consideration.

In April 2020, the Company entered into a purchase agreement with O3 Mining Inc. ("O3") to purchase mineral claims in Quebec for a total purchase price of \$900,000. Under the agreement, the payment terms are as follows:

- a) \$100,000 upon execution of agreement (paid); \$150,000 on the first anniversary (paid); \$250,000 on the second anniversary (paid); and \$400,000 on the third anniversary (paid subsequently).
- b) When the Company acquires 100% interest in the property and it goes into commercial production, O3 will be entitled to receive a 2% net smelter return royalty with the right to purchase one half of the royalty upon the payment of \$1,000,000.

#### **Hunter Property, Quebec, Canada**

The Hunter Property is located within the southern Abitibi Greenstone Belt, Quebec.

In January 2022, the Company entered into a property option agreement with a wholly owned subsidiary of Centerra Gold Inc. ("Centerra") pursuant to which Kenorland has agreed to grant Centerra the option to acquire up to a 70% interest in the Hunter Property.

Pursuant to the property option agreement, Centerra can earn an initial 51% interest in the Hunter Property by incurring an aggregate of \$5,000,000 in mineral exploration expenditures on or before the fourth anniversary of the property option agreement (the "First Option"). Centerra can earn an additional 19% interest in the Hunter Property, for an aggregate 70% interest held (the "Second Option") by completing a technical report in respect of the Hunter Property that establishes a mineral resource of at least one million ounces of gold prepared in accordance with the requirements of National Instrument 43-101 of the Canadian Securities Administrators on or before the fourth anniversary of the exercise of the First Option, provided that Centerra must provide notice of its intent to exercise the Second Option within 90 days of the exercise of the First Option.

Following the earning of a 70% interest, Centerra and Kenorland will form a joint venture in respect of the property. In the event a joint venture participant's interest is diluted to below 10%, it will exchange its joint venture interest for a net smelter return royalty of 2% on currently unencumbered claims and 1.5% on claims currently encumbered by an existing royalty.

## **KENORLAND MINERALS LTD.**

Notes to Condensed Interim Consolidated Financial Statements

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### **6. EXPLORATION AND EVALUATION ASSETS (continued)**

#### **Lac Fagnant Property, Quebec, Canada**

On January 16, 2018, and subsequently amended in July 2018, the Company entered into an agreement with Harfang Exploration Inc. ("Harfang") and Urbangold for exploration on certain mineral rights comprising certain mining claims on the property located in the Nunavik territory, east of Kuujuarapik on the east coast of Hudson Bay, Quebec.

Under the agreement, the participating interest is as follows: the Company – 40%, Harfang – 40%, and Urbangold – 20%. Harfang is the operator, which can charge operator fees based on costs incurred in account for exploration expenditures on the Lac Fagnant Property, as long as its participating interest is equal to or greater than the other participants' participating interest.

During the three months ended March 31, 2023, the parties decided to not move forward on the Lac Fagnant Property, as a result, the Company recorded an impairment of exploration and evaluation assets of \$22,205.

#### **O'Sullivan Property, Quebec, Canada**

The Company holds a 100% interest in mining claims located within the Abitibi greenstone Belt in Northern Quebec.

In December 2022, the Company entered into an earn in and joint venture exploration agreement with SMMCL. Under the agreement, SMMCL can earn up to a 70% interest in the O'Sullivan Property by making exploration expenditures as follows:

- a) to acquire an undivided 51% interest, SMMCL must fund an aggregate of \$4.9 million in expenditures on the O'Sullivan Property on or before December 15, 2025, of which \$1.2 million are guaranteed expenditures.
- b) to acquire an additional undivided 19% interest (for a total undivided interest of 70%), incur additional qualifying exploration expenditures to deliver a NI-43-101 compliant feasibility study on the O'Sullivan Property disclosing mineral resources in the measured and indicated categories of not less than 1,500,000 ounces of gold (or AuEq) within an additional seven years.

Once SMMCL has earned a 70% interest, the Company will have the option to convert the minority joint venture interest into a net smelter return royalty interest of 4% on the property. If the participating interest in the joint venture property of any party is diluted to 10% or less whether by reason of failure to complete funding contribution requirements or default, the participating interest will be deemed to have been automatically converted to a 3% net smelter return royalty in favor of the other party in respect of minerals produced from the property, with 1% subject to buyback for \$1 million. If the party whose participating interest is forfeited, they will be deemed to have abandoned the property and the full benefit, ownership and title of the property shall be deemed to have passed to the other party for the payment of good and valuable consideration.

#### **Other Properties, Canada**

The other properties represent mineral claims that the Company staked in the provinces of British Columbia, Manitoba, Ontario and Quebec, Canada.

## **KENORLAND MINERALS LTD.**

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### **6. EXPLORATION AND EVALUATION ASSETS (continued)**

#### **Other Properties, Canada (continued)**

##### *Wheatcroft Property*

In October 2022, the Company entered into a definitive purchase agreement with Jayden Resources Ltd. ("Jayden")(TSX.V: JDN) pursuant to which Jayden will acquire a 100% interest in mineral claims that were staked by the Company in 2022, located within the Kisseynew Domain in northwestern Manitoba (the "Wheatcroft Property").

As consideration for the Wheatcroft Property, Jayden issued 5,557,447 common shares of Jayden, paid \$125,000, and granted a 3% net smelter return royalty over all of the Wheatcroft Property to the Company at closing. In addition, the Company has the right to receive additional shares in the amount equal to 9.9% of the common shares of Jayden until Jayden has raised an aggregate of not less than \$10 million through future financing. The parties also entered into an operating agreement whereby the Company will operate the Wheatcroft Property for an initial two-year term.

##### *Targa Projects*

In January 2023, the Company closed the definitive purchase agreement entered into in December 2022 with Targa ("Targa") pursuant to which Targa acquired 100% interest in and to the Opinaca lithium project located within the James Bay region of northern Quebec (the "Opinaca Project"), along with rights to two mineral exploration license applications in eastern Manitoba (the "Superior Project" and together with the Opinaca Project, the "Targa Projects").

As consideration for the Targa Projects, Targa issued 4,377,375 common shares of Targa, paid \$100,000, and granted a 3% net smelter return royalty over all of the Targa Projects to the Company. In addition, the Company has the right to receive additional shares in the amount equal to 9.9% of the common shares of Targa until Targa has raised an aggregate of not less than \$5 million through future financing. The parties also entered into an operating agreement whereby the Company will operate the Targa Projects for an initial two-year term.

#### **Separation Rapids Lithium Property, Ontario, Canada**

During the year ended December 31, 2022, the Company staked claims located within the English River domain in the Kenora Mining District of northwestern Ontario (the "Separation Rapids Property").

In March 2022, the Company entered into a property option agreement with Double O Seven Mining Ltd. ("007"), a private British Columbia company. Pursuant to the agreement, the Company agreed to grant 007 the option to acquire up to a 100% interest in the Separation Rapids Property for aggregate payments of \$1,500,000 over 5 years (\$100,000 received). The parties also entered into an operating agreement whereby the Company was engaged by 007 to operate the Separation Rapids Property for an initial two-year term. Upon completion of the property option agreement, Kenorland will retain a net smelter return royalty of 2.5%.

#### **South Thompson Property, Manitoba, Canada**

During the years ended December 31, 2020 and 2022, the Company staked claims located in Manitoba.

## KENORLAND MINERALS LTD.

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### 6. EXPLORATION AND EVALUATION ASSETS (continued)

#### South Uchi Property, Ontario, Canada

During the year ended December 31, 2021, the Company staked claims located within the Birch-Uchi greenstone Belt, in the Red Lake district of Northwestern Ontario (the "South Uchi Property").

In April 2021, the Company entered into an option agreement to acquire a 100% interest in the property located in Ontario, Canada by completing the following:

	Cash payment (\$)		Common shares (\$)	
April 29, 2021	(paid)	25,000	(issued)	25,000
On or before April 29, 2022	(paid)	50,000	(issued)	50,000
On or before April 29, 2023	(paid)	100,000	(issued subsequently)	100,000
<b>Total Requirement</b>		<b>175,000</b>		<b>175,000</b>

Upon the exercise of the option, Kenorland will also grant to the optionor a 2% net smelter return royalty on the property, of which one-half (1%) may be purchased by Kenorland at any time for an aggregate payment of \$1,000,000 which may be paid in cash or through the issuance of common shares of Kenorland, at the discretion of the optionor.

In September 2021, the Company entered into a property option agreement (the "Barrick Option Agreement") with a wholly owned subsidiary of Barrick Gold Corporation ("Barrick"). Under the agreement, Barrick has the option to acquire up to an 80% interest in the South Uchi Property.

In January 2023, Barrick terminated the Barrick Option Agreement.

#### Tanacross Property, Alaska, USA

The property is located northeast of Tok, Alaska and was acquired by staking and a payment of \$20,000 to an arm's length vendor in June 2017 (the "Tanacross Property") and Freeport-McMoRan Mineral Properties Inc. held a 1% net smelter royalty in the property.

In July 2022, the Company entered into an earn-in agreement with Antofagasta Minerals S.A. ("Antofagasta"), a wholly owned subsidiary of Antofagasta PLC. Under the agreement, Antofagasta can earn up to a 70% interest in the Tanacross Property by completing the following:

- Making cash payments in an aggregate amount of US\$1,000,000 over eight years (US\$50,000 received).
- Incurring US\$30,000,000 on exploration over eight years, with a firm commitment to spend US\$1,000,000 in the first year.
- Delivering a NI 43-101 compliant preliminary economic assessment report.
- Making a success payment of US\$4,000,000 upon exercise of the option.

Once Antofagasta has earned its 70% interest, Kenorland and Antofagasta will form a 30:70 joint venture. If either party's interest in the joint venture falls below 10%, that party's interest will be converted to a 2% net smelter return royalty, of which 0.5% can be purchased by the other party for US\$2,000,000.

## KENORLAND MINERALS LTD.

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### 6. EXPLORATION AND EVALUATION ASSETS (continued)

#### Healy Property, Alaska, USA

Pursuant to the option agreement with Newmont effective July 2018, the Company was entitled to acquire a 70% interest in a property located in Fairbanks Recording District, Alaska, USA (the "Healy Property") upon incurring aggregate expenditures of US\$4,000,000 on the property during the Phase 1 period of the contribution. In December 2021, the Company received acknowledgement it had completed the Phase 1 earn-in. Upon completing the Phase 1 earn-in requirement on the Healy Property, the value of the Company's initial contribution is US\$4,000,000 (70% interest) and the value of optionor's initial contribution is US\$1,715,000 (30% interest). The Company and the optionor shall fund an adopted program on a pro-rata basis in accordance with their respective participating interests.

#### Advances Received

The balances of excess funding received from optionees and joint venturers are as follows:

	March 31, 2023	December 31, 2022
	\$	\$
Chebistuan	654,644	1,726,135
Chicobi	795,691	842,472
Frotet	3,336,341	2,370,689
Hunter	227,336	295,610
Separation Rapids	140,669	164,302
Tanacross	374,899	597,541
	<b>5,529,580</b>	<b>5,996,749</b>

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2023	December 31, 2022
	\$	\$
Accounts payable	3,811,777	1,340,778
Accrued liabilities	50,000	488,220
Payroll taxes payable	49,029	36,406
	<b>3,910,806</b>	<b>1,865,404</b>

### 8. SHARE CAPITAL AND RESERVES

#### Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

## **KENORLAND MINERALS LTD.**

Notes to Condensed Interim Consolidated Financial Statements

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### **8. SHARE CAPITAL AND RESERVES**

#### **Issued Share Capital**

During the year ended December 31, 2022:

- a) The Company issued 66,083 common shares in connection to the property option agreements for the South Uchi Property valued at \$48,241 (Note 6).
- b) The Company closed a private placement and issued 10,703,593 common shares at a price of \$0.70 per share for aggregate gross proceeds of \$7,492,515. The Company incurred expenses of \$266,285 related to the financing.
- c) The Company issued 150,000 common shares at \$0.69 per share for 150,000 RSUs vested.
- d) The Company issued 50,000 common shares in connection with the exercise of stock options for proceeds of \$12,500. The Company reallocated \$9,293 from reserves to share capital in connection with the exercise of these options.
- e) The Company issued 16,852 shares to SMMCL at \$0.72 per share for proceeds of \$12,133 in connection to the investor rights agreements as part of the strategic investment by SMMCL.

During the three months ended March 31, 2023, there were no share transactions.

As at March 31, 2023, the Company has 5,658,002 shares subject to escrow pursuant to the requirements of the TSX-V, which will be released through January 2024.

#### **Stock Options**

The Company's incentive plan provides for the issuance of stock options to its officers, directors, employees and consultants. Stock options are non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 11,504,618 shares at the time of granting. The exercise price and vesting terms of stock options are determined by the Board of Directors of the Company at the time of grant.

In February 2022, the Company granted 1,375,000 stock options with a total value of \$813,217 to directors, officers, and employees of the Company. All options granted are exercisable at a price of \$0.70 per share for a period of five years. The options vest 25% immediately followed by 25% every 6 months thereafter.

During the year ended December 31, 2022, the Company recognized share-based compensation of \$848,289.

In January 2023, the Company granted 2,850,000 stock options with a total value of \$1,984,457 to directors, officers, employees, and consultants of the Company. All options granted are exercisable at a price of \$0.82 per share for a period of five years. The options vest one-third immediately, followed by one-third every year thereafter.

During the three months ended March 31, 2023, the Company recognized share-based compensation of \$916,299 (March 31, 2022 - \$364,699).



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### 8. SHARE CAPITAL AND RESERVES (continued)

#### Stock Options (continued)

The following weighted average assumptions were used in the Black-Scholes option-pricing model for the valuation of the stock options granted:

	For the three months ended March 31,	
	2023	2022
Risk-free interest rate	2.88%	1.79%
Dividend yield	Nil	Nil
Expected life	5 years	5 years
Volatility	125%	125%
Weighted average fair value per option granted	\$0.70	\$0.59

Stock option transactions are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price \$
Balance, December 31, 2021	6,879,997	0.30
Granted	1,375,000	0.70
Cancelled	(225,000)	0.83
Exercised	(50,000)	0.25
Balance, December 31, 2022	7,979,997	0.36
Granted	2,850,000	0.82
<b>Balance, March 31, 2023</b>	<b>10,829,997</b>	<b>0.48</b>

A summary of the stock options outstanding and exercisable at March 31, 2023 is as follows:

Number of Stock Options Outstanding	Number of Stock Options Exercisable	Exercise Price \$	Expiry Date
800,000	800,000	0.075	October 19, 2023
249,997	249,997	0.70	August 22, 2024
200,000	200,000	0.25	September 15, 2024
140,000	140,000	0.075	October 2, 2024
700,000	700,000	0.15	December 1, 2024
3,200,000	3,200,000	0.25	March 2, 2025
800,000	800,000	0.15	July 1, 2025
640,000	640,000	1.00	February 4, 2026
1,250,000	937,500	0.70	February 14, 2027
2,850,000	950,000	0.82	January 20, 2028
<b>10,829,997</b>	<b>8,617,497</b>		

As at March 31, 2023, the Company has 858,000 options subject to escrow pursuant to the requirements of the TSX-V, which will be released through January 2024.

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### 8. SHARE CAPITAL AND RESERVES (continued)

#### Share Purchase Warrants

During the year ended December 31, 2022, 197,410 warrants expired unexercised, as a result, the Company reclassified \$123,183 attributed to these warrants from reserves to share capital.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, December 31, 2021	1,625,975	0.74
Expired	(197,410)	1.00
<b>Balance, December 31, 2022 and March 31, 2023</b>	<b>1,428,565</b>	<b>0.70</b>

A summary of the warrants outstanding and exercisable at March 31, 2023 is as follows:

Number of Warrants	Exercise Price	Expiry Date
	\$	
428,571	0.70	September 15, 2023
999,994	0.70	March 19, 2024
<b>1,428,565</b>		

### 9. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2023, the Company entered into the following transactions with related parties, as not disclosed elsewhere in the condensed interim consolidated financial statements.

- The Company earned revenue of \$5,391 (March 31, 2022 - \$nil) from a company related by way of a common officer and a common director. As at March 31, 2023, \$5,391 (December 31, 2022 - \$nil) was included in receivables owing from this company.
- As at March 31, 2023, \$nil (December 31, 2022 - \$264,282) was included in accounts payable and accrued liabilities owing to officers and director of the Company in relation to salaries and benefits and reimbursement of expenses.

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and corporate officers and related companies. Summary of key management personnel compensation (includes officers and directors of the Company):

	For the three months ended March 31,	
	2023	2022
	\$	\$
Management fees	16,500	25,500
Salaries and benefits	173,250	160,583
Share-based compensation	559,178	289,837
	<b>748,928</b>	<b>475,920</b>

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### 10. FINANCIAL INSTRUMENTS

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 – Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumption that market participants would use in pricing.

The fair value of the Company's receivables, accounts payable and accrued liabilities, advances received, and government loans payable approximates their carrying values. The Company's cash and cash equivalents, listed company investments and RSU liability are measured at fair value using Level 1 inputs. The Company's private company investments and investments in warrants are measured at fair value using Level 3 inputs. The carrying value of the Company's lease liabilities is measured at the present value of the discounted future cash flows.

For Level 3 inputs, specific valuation techniques used to fair value financial instruments, specifically those that are not quoted in an active market, as such the Company utilized a market approach:

- The use of quoted market prices in active or other public markets.
- The use of most recent transactions of similar instruments.
- Changes in expected technical milestones of the investee.
- Changes in management, strategy, litigation matters or other internal matters.
- Significant changes in the results of the investee compared with the budget, plan, or milestone.

As at March 31, 2023, the Company's private company equity investments of \$1,077,248 (December 31, 2022 - \$1,077,248) were recorded at fair value which was equivalent to amounts paid to acquire the investments. There were no transfers between levels 2 and 3 during the year ended December 31, 2022 and during the three months ended March 31, 2023.

#### Financial Risk Factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) **Currency risk**

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada and the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and US dollars. As at March 31, 2023, the Company had a foreign currency net monetary asset position of approximately US\$913,000. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$91,300.

## **KENORLAND MINERALS LTD.**

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### **10. FINANCIAL INSTRUMENTS (continued)**

b) 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 cash equivalents is held in a large Canadian financial institution. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk. The Company's sales tax receivable is due from the Government of Canada and Revenue Quebec therefore, the credit risk exposure is low.

As at March 31, 2023, the maximum exposure to credit risk is the carrying value of the trade accounts receivable. The Company has not provided for an expected credit loss as management believes the receivables are fully collectible.

c) Interest rate risk

The Company has cash and cash equivalents balances and minimal interest-bearing government loans payable. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks or credit unions.

d) Commodity Price risk

The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of gold. The Company monitors metals prices to determine the appropriate course of action to be taken.

e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board are actively involved in the review, planning, and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

f) Market price risk

Market price risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments.

### **11. CAPITAL MANAGEMENT**

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is currently unable to self-finance its operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable. The Company's share capital is not subject to any external restrictions and the Company did not change its approach to capital management during the year.

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### 12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	For the three months ended March 31,	
	2023	2022
	\$	\$
<b>Non-cash transactions</b>		
Exploration and evaluation asset expenditures in accounts payable	3,268,630	2,116,895
Shares received on sale of mineral properties	2,845,293	-

### 13. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration of mineral properties. Geographic information is as follows:

	As at March 31, 2023		
	Canada	USA	Total
	\$	\$	\$
Exploration and evaluation assets	6,159,929	7,901,909	14,061,838
Equipment	37,049	-	37,049
	6,196,978	7,901,909	14,098,887

  

	As at December 31, 2022		
	Canada	USA	Total
	\$	\$	\$
Exploration and evaluation assets	5,724,335	7,901,774	13,626,109
Equipment	17,468	-	17,468
	5,741,803	7,901,774	13,643,577

### 14. SUBSEQUENT EVENT

- a) In April 2023, the Company issued 20,006 shares to SMMCL for aggregate consideration of \$15,520 in connection to the investor rights agreements as part of the strategic investment by SMMCL.