

TOMBILL MINES LIMITED

Condensed Consolidated Interim Financial Statements

For nine months ended July 31, 2022 and 2021

(Unaudited, expressed in Canadian Dollars)

TOMBILL MINES LIMITED

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TOMBILL MINES LIMITED

Notice of no Auditor Review of Condensed Consolidated Interim Financial Statements

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. They have been approved by the Audit Committee and Board of Directors of the Company.

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

Tombill Mines Limited

September 6th, 2022

TOMBILL MINES LIMITED

Condensed Consolidated Interim Statements of Loss and Comprehensive loss
(Unaudited, expressed in Canadian dollars)

	Note	July 31, 2022	October 31, 2021
		(unaudited)	(Restated – see Note 4) (audited)
Assets			
Current assets:			
Cash and cash equivalents	5	\$ 779,982	\$ 2,280,688
Receivables	6	77,004	659,938
Prepaid expenses		39,618	104,368
		896,604	3,044,994
Other assets:			
Equipment	9	37,789	56,057
		\$ 934,393	\$ 3,101,051
Liabilities and Shareholders' Equity (Deficit)			
Current liabilities:			
Trade payables and accrued liabilities	7	455,292	1,481,589
Flow-through premium liability	8	-	-
		\$ 455,292	\$ 1,481,589
Shareholders' Equity (Deficit):			
Share capital	10	13,055,183	11,638,084
Reserve	10(f)	895,402	787,550
Deficit		-13,471,484	-10,806,172
		479,101	1,619,462
		\$ 934,393	\$ 3,101,051

Nature and continuance of operations (Note 1)
Subsequent event (Note 13)

The accompanying notes form an integral part of the condensed consolidated interim financial statements.

TOMBILL MINES LIMITED

Condensed Consolidated Interim Statements of Loss and Comprehensive loss
(Unaudited, expressed in Canadian dollars)

	Note	Three months ended July 31,		Nine months ended July 31,	
		2022	2021	2022	2021
			(Restated – see Note 4)		(Restated – see Note 4)
Expenses:					
Exploration		\$ 587,561	\$ 1,685,071	\$ 1,484,192	\$ 3,033,711
Administrative fees		21,135	55,803	62,949	100,142
Consulting		197,370	88,341	580,778	464,132
Depreciation		6,088	282	18,268	431
Marketing		6,377	120,857	51,483	244,406
Office and miscellaneous		23,722	7,286	37,066	24,235
Professional fees		45,722	13,103	223,813	111,165
Property tax		20,515	8,481	41,290	23,130
Regulatory and transfer agent fees		9,358	5,899	49,249	31,322
Rent		-	15,260	-	28,819
Insurance		6,893	-	33,910	-
Share-based compensation	10(d)	-	142,533	77,023	411,371
Share-based payments		-	-	-	3,305,075
		(924,742)	(2,142,916)	(2,660,021)	(7,777,939)
LOSS BEFORE OTHER ITEMS					
		(924,742)	(2,142,916)	(2,660,021)	(7,777,939)
Other Items:					
Interest income		1,964	2,448	5,272	6,469
Other income		-	-	-	750,000
Listing expense		(3,040)	8,275	(10,563)	(1,775,134)
		(1,076)	10,723	(5,291)	(1,018,665)
LOSS BEFORE INCOME TAXES					
		(925,818)	(2,132,193)	(2,665,312)	(8,796,605)
Deferred income tax recovery		-	103,887	-	239,750
NET AND COMPREHENSIVE LOSS					
FOR THE PERIOD					
		\$	\$	\$	\$
Loss per common share		(0.006)	(0.015)	(0.016)	(0.064)
- basic and diluted		\$	\$	\$	\$
Weighted average number of common shares outstanding					
- basic and diluted		164,903,393	133,857,585	164,903,393	133,857,585

The accompanying notes form an integral part of the condensed consolidated interim financial statements.

TOMBILL MINES LIMITED

Condensed Consolidated Interim Statements of Changes in Equity (Deficit)
(Unaudited, expressed in Canadian dollars)

For the nine months ended July 31, 2022

	Note	Share capital		Reserve	Deficit	Total Equity (Deficiency)
		Shares	Amount			
Balance, October 31, 2021		153,762,919	11,638,084	787,550	(10,806,172)	1,619,462
Private Placement	10(b)	19,180,533	1,624,998	-	-	1,624,998
Share Issuance Cost	10(b)					
- cash			(177,071)	-	-	(177,071)
- broker warrants	10(f)		(30,828)	30,828	-	-
Share-base compensation	10(d)			77,023	-	77,024
Net loss for the period			-	-	(2,665,312)	(2,665,312)
Balance, July 31, 2022		172,943,452	\$ 13,055,183	\$ 895,402	\$ (13,471,484)	\$ 479,101

For the nine months ended July 31, 2021

	Note	Share capital		Reserve	Deficit	Total Equity (Deficiency)
		Shares	Amount			
Balance, October 31, 2020		71,186,169	2	-	(278,438)	(278,436)
Shares issued for service		22,033,831	3,305,075	-	-	3,305,075
Shares issued on RTO		10,113,333	1,517,000	-	-	1,517,000
Private Placement		41,733,934	8,500,000	-	-	8,500,000
Flow-through premium liability			(769,628)			(769,628)
Share Issuance Cost						-
- cash		8,695,652	(668,372)			(668,372)
- broker warrants			(245,993)	245,993		-
Share-base compensation				541,557		541,557
Net loss for the period					(8,556,855)	(8,556,855)
Balance, July 31, 2021		153,762,919	\$ 11,638,084	\$ 787,550	\$ (8,835,293)	\$ 3,590,341

TOMBILL MINES LIMITED

Condensed Consolidated Interim Statements of Changes in Equity (Deficit)
(Unaudited, expressed in Canadian dollars)

The accompanying notes form an integral part of the condensed consolidated interim financial statements

For the year ended October 31, 2021

	Note	Share capital		Reserve	Deficit	Total Equity (Deficiency)
		Shares	Amount			
Balance, October 31, 2020		71,186,169	2	-	(278,438)	(278,436)
Shares issued for services		22,033,831	3,305,075	-	-	3,305,075
Shares issued on RTO		10,113,333	1,517,000	-	-	1,517,000
Private Placement		50,429,586	8,500,000	-	-	8,500,000
Flow-through premium liability			(769,628)	-	-	(769,628)
Share Issuance Cost						
- cash			(668,372)	-	-	(668,372)
- broker warrants			(245,993)	245,993	-	-
Share-based compensation			-	541,557	-	541,557
Net loss for the period			-	-	(10,527,734)	(10,527,734)
Balance, October 31, 2021		153,762,919	11,638,084	787,550	(10,806,172)	1,619,462

The accompanying notes form an integral part of the condensed consolidated interim financial statements

TOMBILL MINES LIMITED

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited, expressed in Canadian dollars)

	Note	Nine months ended July 31,	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
(Restated – see Note 4)			
Net and comprehensive loss for the period		\$ (2,665,312)	\$ (6,944,972)
Items not affecting cash:			
Depreciation		18,268	431
Interest accrued on investments		-	(5,604)
Share-based compensation	10(d)	77,023	411,371
Share-based payments issued for services		-	3,305,075
Listing expense		-	1,529,904
Deferred income tax recovery		-	(239,750)
		(2,570,021)	(1,943,545)
Changes in non-cash working capital items:			
Receivables		582,934	(413,925)
Prepaid expenses		64,750	(112,362)
Trade payables and accrued liabilities		(1,026,297)	(207,799)
Due to related parties		-	(140,001)
Cash used in operating activities		(2,948,634)	(2,817,632)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of equipment		-	(16,827)
Net cash from investing activities			(16,827)
CASH FLOWS FROM FINANCING ACTIVITIES			
Private Placement and issuance of stock	10(b)	1,624,998	7,832,529
Share issuance costs - cash	10(b)	(177,071)	-
Net cash acquired on reverse takeover			81,090
Cash provided by financing activities		1,447,927	7,913,619
Change in cash during the period		(1,500,706)	5,079,159
Cash, beginning of period		2,280,688	47,670
Cash, end of period		\$ 779,982	\$ 5,126,829

The accompanying notes form an integral part of the condensed consolidated interim financial statements.

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the nine months ended July 31, 2022 and 2021
(Unaudited, expressed in Canadian dollars)

1. Nature and continuance of operations

Tombill Mines Limited (“Tombill” or the “Company”) was incorporated under the Canada Business Corporations Act on October 19, 2018 the Company was continued into British Columbia.

On September 9, 2021 the Company was authorized to continue under the laws of the Province of Ontario. The head office and registered office of the Company is 1 Dundas St W, Suite 2500, Toronto, ON, M5G 1Z3.

On December 9, 2020, the Company completed a reverse takeover (“RTO”) transaction (the “Transaction”) with Bluerock Ventures Corp.

Tombill Mines’ primary business is mineral exploration, primarily gold.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties; these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, social licensing requirements and non-compliance with regulatory requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

These condensed consolidated interim 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. As at July 31, 2022, the Company had not yet achieved profitable operations, had accumulated losses of \$13,472,365 (2021 - \$8,835,293) since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material. The Company’s continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors. However, there is no guarantee that such financing will be available to the Company on acceptable terms or at all and future events or conditions may cause the Company to cease to continue as a going concern.

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause resource shortages, increased difficulty in raising capital, increased government regulations or interventions, all of which may negatively impact the business, financial condition or results of operations of the Company.

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the nine months ended July 31, 2022 and 2021
(Unaudited, expressed in Canadian dollars)

1. Nature and continuance of operations (cont'd)

The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

2. Statement of compliance

a) *Statement of compliance with IFRS*

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting* under International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements but do not include all of the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended October 31, 2021.

These interim consolidated financial statements were authorized for issue on September 6th, 2022 by the directors of the Company.

b) *Basis of presentation*

These condensed consolidated interim financial statements of the Company have been prepared on an accrual basis except for certain cash flow information and are based on historical costs. The condensed consolidated interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiary unless otherwise noted.

These condensed consolidated interim financial statements include the financial statements of the Company and its wholly owned subsidiary, Tombill Exploration Ltd. All intercompany balances and transactions were eliminated upon consolidation. Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns from its involvement with the entity. Subsidiaries are fully consolidated from the date on which control is obtained. They are deconsolidated from the date that control ceases.

c) *Functional and Presentation Currency*

The functional currency of the Company and its' subsidiary is the Canadian dollar as this is the principal currency of the economic environment in which it operates. Judgment is required to determine the functional currency of the Company. These judgments are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances.

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the nine months ended July 31, 2022 and 2021
(Unaudited, expressed in Canadian dollars)

3. Significant accounting policies

a) Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed consolidated interim financial statements in conformity with IAS34 requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

i) Going concern (See Note 1.)

ii) Existence of Decommissioning and Restoration Costs and the Timing of Expenditure

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

iii) Share Based Payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

b) Foreign currency translation

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of loss the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the nonmonetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the nine months ended July 31, 2022 and 2021
(Unaudited, expressed in Canadian dollars)

3. Significant accounting policies (cont'd)

c) *Share Based Payments*

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. The grant date fair value of options that expire without being exercised is transferred to deficit.

d) *Cash and cash equivalents*

Cash and cash equivalents in the condensed consolidated interim statements of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of nine months or less, which are readily convertible into a known amount of cash.

e) *Equipment*

Equipment is recorded at cost less accumulated depreciation and impairment charges. Such cost consists of the purchase price, any costs directly attributable to bringing the equipment to the location and condition necessary for its intended use. Depreciation of equipment is calculated over the estimated useful lives. Computer equipment is amortized on straight line basis over 36 months.

f) *Exploration and evaluation expenses*

Cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that a mineral property is commercially viable.

g) *Financial instruments*

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the nine months ended July 31, 2022 and 2021
(Unaudited, expressed in Canadian dollars)

3. Significant accounting policies (cont'd)

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the condensed consolidated interim statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the condensed consolidated interim statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

Equity instruments designated as FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in Other Comprehensive Income ("OCI"). The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instrument.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the condensed consolidated interim statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss.

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the nine months ended July 31, 2022 and 2021
(Unaudited, expressed in Canadian dollars)

3. Significant accounting policies (cont'd)

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss.

h) Provisions

The Company recognizes provisions when a legal or constructive obligation exists as a result of past events, when it is probable that there will be an outflow of economic benefits from the entity, and a reliable estimate of the amount of the obligation can be made. When a provision is expected to settle beyond the immediate term, the provision is measured at the present value of future cash flows, discounted at prevailing market interest rates. With the passage of time, additional expenses are recorded as the provision increases.

As at July 31, 2022 and 2021 the Company has no obligations that require provisions.

i) Impairment of assets

The carrying amount of the Company's long-lived assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss.

The recoverable amount is the greater of an asset's fair value, less cost to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows, largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

j) Flow-through shares

Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. The Company accounts for flow-through shares whereby the premium, if any, paid for the flow-through share in excess of the market value of the shares without a flow-through feature at the time of issue is initially recorded to flow-through premium liability and then

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Notes to the Condensed Consolidated Interim Financial Statements
For the nine months ended July 31, 2022 and 2021
(Unaudited, expressed in Canadian dollars)

3. Significant accounting policies (cont'd)

included in profit or loss, as a deferred income tax recovery, at the same time the qualifying expenditures are made.

k) Loss per Share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per common share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potentially dilutive share equivalents, such as stock options and warrants and assumes the receipt of proceeds upon exercise of the dilutive securities to determine the number of shares assumed to be purchased at the average market price during the period.

During the nine months ended July 31, 2022 and 2021, all of the outstanding stock options and warrants were anti-dilutive and were excluded from the calculation of diluted loss per share.

4. Change in accounting policy and restatement

During the year ended October 31, 2021, the Company changed its accounting policy to expense all exploration and evaluation expenditures. The Company believes that expensing such costs as incurred provides more reliable and relevant financial information. Under this new policy, cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that a mineral property is commercially viable. Previously, the Company capitalized these amounts.

The condensed consolidated interim financial statements for the comparative nine months ended July 31, 2021 have been restated (where required) to reflect adjustments made as a result of this change in accounting policy. The effect of the restatements to each condensed consolidated interim statement for the comparative nine month period ended July 31, 2021 is as follows:

i. Condensed consolidated interim statements of financial position

Element affected	Change in value	Value before restatement	Value after restatement
	\$	\$	\$
Exploration and evaluation assets	- 3,131,575	3,131,575	-
Deficit	+ 3,131,575	(5,703,717)	(8,835,292)

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the nine months ended July 31, 2022 and 2021
(Unaudited, expressed in Canadian dollars)

4. Change in accounting policy and restatement (cont'd)

ii. Condensed consolidated interim statements of loss and comprehensive loss

Element affected	Change in value	Value before restatement	Value after restatement
	\$	\$	\$
Exploration expenses	+ 3,033,711	-	3,033,711
Consulting expenses	+ 97,863	366,269	464,132

This has the effect of increasing the net and comprehensive loss for the comparative nine months ended July 31, 2021 from \$(5,425,280) to \$(6,944,972) and increases the comparative loss per share from \$(0.039) to \$(0.064).

iii. Condensed consolidated interim statements of cash flows

Element affected	Change in value	Value before restatement	Value after restatement
	\$	\$	\$
Net and comprehensive loss for the period	- 1,519,692	(5,425,280)	(6,944,972)
Exploration and evaluation assets	+ 1,519,692	(1,519,692)	-

5. Cash and cash equivalents

	July 31, 2022	October 31, 2021
Cash	\$ 779,982	\$ 280,688
Cash equivalents	-	2,000,000
	\$ 779,982	\$ 2,280,688

6. Receivables

	July 31, 2022	October 31, 2021
Government Sales Tax credits	\$ 76,536	\$ 652,058
Accrued interest	468	7,880
	\$ 77,004	\$ 659,938

7. Trades payable and accrued liabilities

	July 31, 2022	October 31, 2021
Exploration payables and accrued liabilities	\$ -	\$ 1,379,671
Trade payables	375,802	74,918
Accrued liabilities	79,490	27,000
	\$ 455,292	\$ 1,481,589

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Notes to the Condensed Consolidated Interim Financial Statements
For the nine months ended July 31, 2022 and 2021
(Unaudited, expressed in Canadian dollars)

8. Flow-through premium liability

	July 31, 2022	October 31, 2021
Balance, beginning of period	\$ -	\$ -
Transacted	-	769,628
Amortized	-	(769,628)
	\$ -	\$ -

In December 2021, the Company completed a flow-through private placement of 9,055,533 units (Note 10(b)(ii)) for total gross proceeds of \$814,998. The Company did not record a flow-through liability on this transaction and there was \$nil estimated premium on each flow-through common share issued.

The Company has fully renounced exploration expenditures of \$814,907 to the flow-through subscribers for calendar year 2021 using the “look back” rule for income tax purposes and is required to incur the qualified exploration expenditures by December 31, 2022.

The flow-through agreements require the Company to renounce certain deductions for Canadian exploration expenditures incurred on the Company’s resource properties to a total of \$814,907. As at July 31, 2022 a total of \$814,907 qualifying mining expenditures has been incurred.

When the Company uses the “look-back” rule to renounce exploration expenditures to investors before the Company actually incurs them, the Company is liable for the flow-through Part XII.6 tax (“FT Tax”). The FT Tax related to the 2020 flow-through renunciations is payable on or before February 28, 2024 as provided by the Minister of Finance’s draft legislation proposed in July 2020 to support and protect the mining sector during the COVID-19 pandemic. As at July 31, 2022, \$Nil (2021 - \$Nil) FT Tax has been accrued.

9. Equipment

a. As at July 31, 2022

	Computer	Motor vehicles	Exploration equipment	Total
Cost:				
At October 31, 2021	\$ 16,828	\$ 39,817	\$ 5,476	\$ 62,121
Additions	-	-	-	-
At July 31, 2022	16,828	39,817	5,476	62,121
Accumulated depreciation:				-
At October 31, 2021	\$ 1,833	\$ 3,318	\$ 913	\$ 6,064
Depreciation	4,207	9,954	4,107	18,268
At July 31, 2022	6,040	13,272	5,020	24,332
Net book value:				-
At October 31, 2021	\$ 14,995	\$ 36,499	\$ 4,563	\$ 56,057
At July 31, 2022	10,788	26,545	456	37,789

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9. Equipment (cont'd)

a. As at October 31, 2021

	Computer	Motor vehicles	Exploration equipment	Total
Cost:				
At October 31, 2020	-	-	-	-
Additions	\$ 16,828	\$ 39,817	\$ 5,476	\$ 62,121
At October 31, 2021	16,828	39,817	5,476	62,121
Accumulated depreciation:				
At October 31, 2020	-	-	-	-
Depreciation	\$ 1,833	\$ 3,318	\$ 913	\$ 6,064
At October 31, 2021	1,833	3,318	913	6,064
Net book value:				
At October 31, 2020	-	-	-	-
At October 31, 2021	14,995	36,499	4,563	56,057

10. Share capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the nine months ended July 31, 2022, the Company completed the following transactions:

- (i) completed a private placement of 10,125,000 units at a price of \$0.08 per unit for aggregate proceeds of \$810,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.12 until December 31, 2023,
- (ii) completed a flow-through private placement of 9,055,533 units at a price of \$0.09 per unit for total gross proceeds of \$814,998 (Note 8). Each unit consists of one flow-through common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable at \$0.13 per common share until December 31, 2023, and
- (iii) paid a finder's fee of \$92,750 in cash and issued an aggregate of 1,080,137 share purchase warrants ("Agent's Warrants") at an exercise price of \$0.12 per common share with an expiry of December 31, 2023 to two agents (Note 10(e)) on the flow-through and non-flow-through private placements. The Company recorded a fair value of \$30,828 on the finder's warrants. The Company also incurred \$84,321 in other related share issuance costs.

(c) Escrow shares

Pursuant to an escrow agreement dated February 25, 2011, as at July 31, 2022, 351,000 (July 31, 2021 - 585,000) common shares issued are held in escrow. Under the escrow agreement, 10% of the escrowed common shares was released from escrow on December 11, 2020 and,

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10. Share capital (cont'd)

15% of the escrowed shares will be released every 6 months thereafter over a period of 36 months for the remaining 90% of the escrowed shares.

Pursuant to a value security escrow agreement dated December 9, 2020, as at July 31 2022, 41,948,998 (July 31, 2021 – 69,915,000) common shares issued are held in escrow. Under the escrow agreement, 10% of the escrowed common shares was released from escrow on December 11, 2020 and, 15% of the escrowed shares will be released every 6 months thereafter over a period of 36 months for the remaining 90% of the escrowed shares.

(d) Share options

The Company adopted a 10% share option plan (the “Plan”) that enables the Company to grant options to directors, officers, employees and other service providers. The Company follows the policies of the TSXV where the number of common shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Company from time to time at the date of granting of options. The terms of any options granted under the plan may not exceed ten years from date of grant. Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price, expiry date, and the vesting conditions of the options as determined by the Board of Directors.

Share option transactions in the nine months ended July 31, 2022 are summarized as follows:

	Options Outstanding	Weighted Average Exercise Price
Outstanding, October 31, 2021	9,773,135	\$ 0.159
Granted	1,150,000	0.072
Forfeited and expired	(3,856,009)	(0.150)
Outstanding, July 31, 2022	7,067,126	0.154

During the nine months ended July 31, 2022:

- I. the Company granted an aggregate of 1,150,000 (2021: 12,574,817) share options to certain directors, officers, and consultants of the Company, these options are measured at fair value at the date of grant and subsequently amortised over their remaining life to share based compensation costs.
- II. a total of 3,856,009 (2021: 3,776,680) share options were forfeited by certain directors, officers, and consultants of the Company resulting in a credit adjustment to share based compensation costs of \$176,155 (2021: \$16,550) due to reversing that cumulative portion of director and officers amortised costs on the instruments which will not now vest. (Note 10(f)).
- III. the Company recorded amortised share-based compensation costs of \$253,179 (2021: \$346,839) on the remaining outstanding options (Note 10(f)).

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10. Share capital (cont'd)

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options granted. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

The following weighted average assumptions were used to estimate the following weighted average grant date fair values:

Nine months ended	July 31, 2022	2021
Risk free interest rate	0.49%	0.30%
Expected dividend yield	0%	0%
Stock price volatility	121.54%	123.08%
Weighted average expected life	3.34 years	3.2 years
Weighted average fair value	\$ 0.105	\$ 0.110

Share options outstanding and exercisable at July 31, 2022 are summarized as follows:

Number of Options	Exercise Price	Expiry Date	Remaining Life (Years)	Exercisable
784,813	0.150	31 December 2022	0.42	784,813
70,000	0.080	25 January 2023	0.49	70,000
95,000	0.250	19 February 2023	0.56	95,000
150,000	0.190	26 April 2023	0.74	150,000
7,500	0.180	24 May 2023	0.81	7,500
5,000	0.120	05 November 2023	1.27	5,000
1,177,220	0.150	31 December 2023	1.42	1,177,220
142,500	0.250	19 February 2024	1.56	142,500
40,000	0.060	28 February 2024	1.58	40,000
11,250	0.180	24 May 2024	1.82	11,250
7,500	0.120	05 November 2024	2.27	-
1,632,441	0.150	31 December 2024	2.42	-
181,500	0.250	19 February 2025	2.56	-
60,000	0.060	28 February 2025	2.58	-
24,750	0.180	24 May 2025	2.82	-
16,500	0.120	05 November 2025	3.27	-
2,308,652	0.160	19 February 2026	3.56	-
132,000	0.060	28 February 2026	3.58	-
31,500	0.180	24 May 2026	3.82	-
21,000	0.120	05 November 2026	4.27	-
168,000	0.060	28 February 2027	4.58	-
7,067,126	0.154		2.39	2,483,283

Unvested options vest over a period of one to four years.

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10. Share capital (cont'd)

(e) Warrants

During the nine months ended July 31, 2022, the Company issued the following warrants:

- (i) 10,125,000 share purchase warrants at an exercise price of \$0.12 per common share until December 31, 2023 in connection to the private placement of 10,125,000 units for total gross proceeds of \$810,000 (Note 10(b)(i));
- (ii) 4,527,767 share purchase warrants at an exercise price of \$0.13 per common share until December 31, 2023 in connection to the flow-through private placement of 9,055,533 units for total gross proceeds of \$814,998 (Note 10(b)(ii)); and
- (iii) 1,080,137 non-transferable Agents' Warrants at an exercise price of \$0.12 per common share until December 31, 2023 in connection to the flow-through and non flow-through private placements (Note 10(b)(iii)). The Company recorded a fair value of \$30,828 (2021 - \$245,993) in reserves on the Agent's Warrants (Note 10(f)).

As at July 31, 2022, the following warrants were outstanding:

	Expiry Date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Agent's Warrants	December 9, 2022	3,338,714	\$0.15	0.36 years
Agent's Warrants	December 31, 2022	1,080,137	\$0.12	1.42 years
Warrants	December 9, 2022	20,866,967	\$0.23	0.36 years
Warrants	September 16, 2022	8,695,652	\$0.32	0.13 years
Warrants	December 31, 2023	14,652,767	\$0.12	1.42 years
		48,634,237	\$0.21	0.64 years

The fair value of the agent's warrants granted was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Nine months ended July 31,	2022	2021
Risk free rate	0.49%	0.27%
Dividend yield	0%	0%
Weighted average volatility	129.40%	128.72%
Weighted average expected life	2 years	2 years
Weighted average fair value	\$ 0.063	\$ 0.096

(f) Reserves

	July 31, 2022	October 31, 2021
Options and agent warrants		
Balance	\$ 787,550	\$ -
Agents' warrants (Note 10(e))	30,828	245,993
Options issued (Note 10(d))	253,179	558,107
Options forfeit (Note 10(d))	-176,155	-16,550
Closing balance	\$ 896,283	\$ 787,550

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11. Related party transactions

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise of the directors of the Company, executive and non-executive, and officers.

The remuneration of the key management personnel during the nine months ended July 31, 2022 and 2021 were as follows:

	July 31, 2022	October 31, 2021
Chief Executive Officer	\$ 156,987	\$ 166,616
Chief Financial Officer*	162,511	158,805
	\$ 319,498	\$ 325,121

*Tom Rowcliffe stepped down as Chief Financial Officer on January 25, 2022

*Liam Ruddy stepped down as Chief Financial Officer on May 31, 2022

During the nine months ended July 31, 2022 the Company:

- (i) Recognized an aggregate of \$253,179 (Oct 31, 2021 - \$346,839) in share-based compensation on the vested portion of stock options granted to directors and officers of the Company.
- (ii) De-recognized an aggregate of \$176,155 (2021 - \$16,550) in share-based compensation costs on the unvested and forfeit portion of stock options granted to directors and officers of the Company.
- (iii) Paid or accrued \$544,562 (2021 - \$Nil) for management services provided by Tombill Mines (UK) Limited, a company owned by Adam Horne, a director and officer of the Company. This amount includes \$319,498 in the table above.

12. Financial and capital risk management objectives and policies and fair value

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure.

These risks include inherent mining risk, liquidity risk, credit risk, market risk, interest rate risk, currency risk, and price risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Inherent mining risk

Mining comprises many different risk factors and those which primarily affect the commercial and financial viability of a given mineral deposit include grade, quantity, federal and provincial government regulations, taxes, environmental factors, affected communities, rehabilitation costs and obligations. This is not an exhaustive list but is indicative of the risks mining companies such as Tombill Mines Limited will require to address in the fullness of time and wherein each will have a financial impact.

Not all these risks can be covered by insurance and others which can, will include a penal level of premium. The Company does not carry political or environmental risk insurance, and should such liabilities arise, this could negatively impact on operating costs and a decline in the value of the Company's securities.

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12. Financial and capital risk management objectives and policies and fair value (cont'd)

b) Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents. As at July 31, 2022, the Company was holding cash and cash equivalent deposits of \$779,982 (July 31, 2021 - \$3,126,829) to settle current liabilities of \$455,292 (July 31, 2021 - \$1,695,831). Management believes it has sufficient funds to meet its current obligations as they become due and to fund its current exploration project and administrative costs. Management recognises that further funding will require to be put in place for the Company to commence further exploration projects and there is a material uncertainty that funding will be made available to it.

c) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and investments.

The Company maintains its cash and cash equivalents with high-credit quality financial institutions, thus limiting its exposure to credit risk on such financial assets.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes.

d) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant and the Company, has exposure to these risks.

e) Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates and cash as they are generally held with large financial institutions.

f) Currency Risk

The Company operates in Canada and is therefore not exposed to significant foreign exchange risk arising from transactions denominated in a foreign currency.

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12. Financial and capital risk management objectives and policies and fair value (cont'd)

g) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors certain commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Fair Value Hierarchy

The statements of financial position carrying amounts for cash and cash equivalents, and trades payable approximate fair value due to their short-term nature.

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

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.

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

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

As at July 31, 2022 and 2021 the only financial instruments measured at fair value are cash equivalents, which are guaranteed investment Certificates held with a major bank and which are classified as level 2 within the fair value hierarchy.

The Company's financial instruments at July 31, 2022 and 2021 are classified as follows:

Nine months ended	July 31, 2022		July 31, 2021	
	FVTPL	Amortized cost	FVTPL	Amortized cost
Financial assets				
Cash	\$ -	779,982	\$ -	3,126,829
Cash equivalents	-	-	2,000,000	-
Financial Liabilities				
Trade payables	-	(455,292)	-	(1,695,831)
	\$ -	\$ 324,690	\$ 2,000,000	\$ 1,430,998

Capital Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

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12. Financial and capital risk management objectives and policies and fair value (cont'd)

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-form prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. In the management of capital, the Company includes the components of shareholders' equity, as well as cash. As at July 31, 2022, the Company is not subject to externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period.

13. Subsequent events

There are no significant subsequent events between July 31st and signing of the interims.