

TOMBILL MINES LIMITED

Condensed Consolidated Interim Financial Statements

For three months ended January 31, 2023 and 2022

(Unaudited, expressed in Canadian Dollars)

TOMBILL MINES LIMITED

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Tombill Mine Limited

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

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

March 17, 2023

TOMBILL MINES LIMITED

Condensed Consolidated Interim Statements of Financial Position
(Unaudited, expressed in Canadian dollars)

	Note	January 31, 2023		October 31, 2022	
				Audited	
Assets					
Current assets:					
Cash and cash equivalents	4	\$	347,240	\$	503,258
Receivables	5		2,407		13,590
Prepaid expenses			34,712		15,011
			384,359		531,859
Other assets:					
Equipment	8		7,983		9,386
			-		-
		\$	392,342	\$	541,245
Liabilities and Shareholders' Equity (Deficit)					
Current liabilities:					
Trade payables and accrued liabilities	6	\$	336,043	\$	311,348
Flow-through premium liability	7		-		-
			336,043	\$	311,348
Shareholders' Equity (Deficit):					
Share capital	9		12,772,030		12,783,517
Reserve	9(f)		1,013,299		942,857
Deficit			(13,729,029)		(13,496,477)
			56,300		229,897
		\$	392,343	\$	541,245

Nature and continuance of operations (Note 1)

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

TOMBILL MINES LIMITED

Condensed Consolidated Interim Statements of Financial Position
(Unaudited, expressed in Canadian dollars)

		Three months ended January 31,	
	Note	2023	2022
Expenses:			
Exploration		\$ 100	\$ 447,713
Administrative fees		434	37,793
Consulting		99,062	176,825
Depreciation		1,402	6,089
Marketing		1,717	34,251
Office and miscellaneous		22,671	(20,299)
Professional fees		26,867	137,616
Property tax		15,751	(9,131)
Regulatory and transfer agent fees		5,060	22,344
Insurance		5,528	14,578
Share-based compensation	9(d)	70,442	111,944
Share-based payments	9(b)	-	-
		(249,034)	(959,723)
LOSS BEFORE OTHER ITEMS			
Other Items:			
Interest income		4	1,034
Other income		-	-
Listing expense		(3,458)	-
		(3,454)	1,034
LOSS BEFORE INCOME TAXES		(252,488)	(958,689)
Deferred income tax recovery		-	-
NET AND COMPREHENSIVE LOSS FOR THE PERIOD		\$ (252,488)	\$ (958,689)
Loss per common share			
- basic and diluted		\$ (0.001)	\$ (0.007)
Weighted average number of common shares outstanding			
- basic and diluted		172,943,452	133,857,585

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

Tombill Mine Limited

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

For the three months ended January 31, 2023

	Note	Share capital		Reserve	Deficit	Total Equity (Deficiency)
		Shares	Amount			
Balance, October 31, 2022		172,943,452	12,783,517	942,857	(13,496,477)	229,897
Share Issuance Cost	9(b)					
- broker warrants			(11,487)	-	11,487	-
Prior Period Cost Credited			-	-	8,449	8,449
Share-base compensation	9(d)			70,442		70,442
Net loss for the period			-	-	(252,488)	(252,488)
Balance, January 31, 2023		172,943,452	\$ 12,772,030	\$ 1,013,299	\$ (13,729,029)	\$ 56,300

For the three months ended January 31, 2022

	Note	Share capital		Reserve	Deficit	Total Equity (Deficiency)
		Shares	Amount			
Balance, October 31, 2021		153,762,919	11,638,084	787,550	(10,806,173)	1,619,461
Private Placement	9(b)	19,180,533	1,624,998	-	-	1,624,998
Share Issuance Cost	9(b)					
- cash			(177,071)	-	-	(177,071)
- broker warrants	9(f)		(30,828)	30,828	-	-
Share-base compensation	9(d)			111,944		111,944
Net loss for the period			-	-	(958,689)	(958,689)
Balance, January 31, 2022		172,943,452	\$ 13,055,183	\$ 930,323	\$ (11,764,862)	\$ 2,220,644

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

Tombill Mine Limited

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

For the year ended October 31, 2022

	Note	Share capital		Reserve	Deficit	Total Equity (Deficiency)
		Shares	Amount			
Balance, October 31, 2021		153,762,919	11,638,084	787,550	(10,806,173)	1,619,461
Private Placement		19,180,533	1,353,332	-	-	1,353,332
Share Issuance Cost						
- cash			(177,071)	-	-	(177,071)
- broker warrants			(30,828)	30,828	-	-
Share-based compensation			-	124,479	-	124,479
Net loss for the period			-	-	(2,690,305)	(2,690,305)
Balance, October 31, 2022		172,943,452	12,783,517	942,857	(13,496,477)	229,897

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	Three months ended January 31,	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net and comprehensive loss for the period		\$ (252,488)	\$ (958,689)
Items not affecting cash:		-	-
Depreciation		1,402	6,089
Interest accrued on investments		-	-
Share-based compensation	9(d)	70,442	111,944
Share-based payments issued for services		8,449	-
Listing expense		-	-
Deferred income tax recovery		-	-
		(172,195)	(840,655)
Changes in non-cash working capital items:			
Receivables		11,183	568,699
Prepaid expenses		(19,701)	34,319
Trade payables and accrued liabilities		24,695	(802,950)
Due to related parties		-	-
Cash used in operating activities		(156,018)	(1,040,587)
CASH FLOWS FROM FINANCING ACTIVITIES			
Private Placement and issuance of stock		-	1,624,998
Share issuance costs - cash	9(b)	-	(177,071)
Cash provided by financing activities		-	1,447,927
Change in cash during the period		(156,018)	407,339
Cash, beginning of period		503,258	2,280,688
Cash, end of period		\$ 347,240	\$ 2,688,027

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 three months ended January 31, 2023 and 2022
(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 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. At January 31, 2023, the Company had not yet achieved profitable operations, had accumulated losses of \$13,729,029 (2022 - \$11,764,862) 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. 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.

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. 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.

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended January 31, 2023 and 2022
(Unaudited, expressed in Canadian dollars)

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, 2022.

These interim consolidated financial statements were authorized for issue on March 17, 2023 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 Inc. 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 three months ended January 31, 2023 and 2022
(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) 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.

c) 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 three months or less, which are readily convertible into a known amount of cash.

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended January 31, 2023 and 2022
(Unaudited, expressed in Canadian dollars)

3. Significant accounting policies (cont'd)

d) 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.

e) 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.

f) 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.

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

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended January 31, 2023 and 2022
(Unaudited, expressed in Canadian dollars)

3. Significant accounting policies (cont'd)

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.

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.

g) 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 January 31, 2023 and 2022 the Company has no obligations that require provisions.

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended January 31, 2023 and 2022
(Unaudited, expressed in Canadian dollars)

3. Significant accounting policies (cont'd)

h) 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.

i) 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

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.

j) 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 three months ended January 31, 2023 and 2022, all of the outstanding stock options and warrants were anti-dilutive and were excluded from the calculation of diluted loss per share.

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended January 31, 2023 and 2022
(Unaudited, expressed in Canadian dollars)

4. Cash and cash equivalents

	January 31, 2023		January 31, 2022	
Cash	\$	347,240	\$	1,688,027
Cash equivalents		-		1,000,000
	\$	347,240	\$	2,688,027

5. Receivables

	January 31, 2023		January 31, 2022	
Government Sales Tax credits	\$	2,407	\$	91,239
Accrued interest		-		-
	\$	2,407	\$	91,239

6. Trades payable and accrued liabilities

	January 31, 2023		January 31, 2022	
Exploration payables and accrued liabilities	\$	-	\$	-
Trade payables		331,565		626,639
Accrued liabilities		34,478		52,000
	\$	366,043	\$	678,639

7. Flow-through premium liability

	January 31, 2023		January 31, 2022	
Opening Balance (for the period)	\$	-	\$	-
Recorded		-		-
Amortized		-		-
Closing Balance (for the period)	\$	-	\$	-

The flow-through agreements require the Company to renounce certain deductions for Canadian exploration expenditures incurred on the Company's resource properties.

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 January 31, 2023, \$Nil (2022 - \$Nil) FT Tax has been accrued.

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended January 31, 2023 and 2022
(Unaudited, expressed in Canadian dollars)

8. Equipment

	Computer	Motor vehicles	Exploration equipment	Total
Cost:				
At October 31, 2022	\$ 16,828	-	5,476	22,304
Additions	-	-	-	-
At January 31, 2023	16,828	-	5,476	22,304
Accumulated depreciation:				
At October 31, 2022	\$ 7,442	-	5,476	12,918
Depreciation	1,402	-	-	1,402
At January 31, 2023	8,844	-	5,476	14,320
Net book value:				
At October 31, 2022	\$ 9,386	-	-	9,386
At January 31, 2023	7,984	-	-	7,984

9. Share capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the three months ended January 31, 2023, there was no change in the number of outstanding number of shares: 172,943,452

(c) Escrow shares

Pursuant to an escrow agreement dated February 25, 2011, as at January 31, 2023, 234,000 (January 31, 2022 - 468,000) 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.

Pursuant to a value security escrow agreement dated December 9, 2020, as at January 31 2023, 27,965,997 (January 31, 2022 – 55,931,999) 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.

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Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended January 31, 2023 and 2022
(Unaudited, expressed in Canadian dollars)

9. Share capital (cont'd)

(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 are summarized as follows:

	Options Outstanding	Weighted Average Exercise Price
Outstanding, October 31, 2022	7,067,126	\$ 0.154
Granted	-	-
Forfeited and expired	(1,502,515)	(0.150)
Outstanding, January 31, 2023	5,564,611	0.152

During the three months ended January 31, 2023:

- I. the Company granted nil (2022: 750,000) share options to certain directors, officers, and consultants of the Company,
- II. a total of 1,390,015 (2022: 700,000) share options were forfeited or expired by certain directors, officers, and consultants of the Company, and
- III. the Company recorded share-based compensation costs of \$70,442 (2022: \$111,944) (Note 10(f)).

The Company uses the Black-Scholes option pricing model to calculate the fair value of options. 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.

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

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

Three months ended	January 31, 2023	January 31, 2022
Risk free interest rate	0.57%	0.50%
Expected dividend yield	0%	0%
Stock price volatility	121.18%	121.61%
Weighted average expected life	3.42 years	3.42 years
Weighted average fair value	\$ 0.103	\$ 0.100

TOMBILL MINES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended January 31, 2023 and 2022
(Unaudited, expressed in Canadian dollars)

9. Share capital (cont'd)

Share options outstanding and exercisable at January 31, 2023 are summarized as follows:

Number of Options	Exercise Price	Expiry Date	Remaining Life of Options (Years)	Number of Options Exercisable
55,000	0.245	19/02/2023	0.01	55,000
150,000	0.190	26/03/2023	0.11	150,000
7,500	0.180	24/05/2023	0.27	7,500
5,000	0.120	05/11/2023	0.72	5,000
742,019	0.150	10/12/2023	0.82	742,019
82,500	0.245	19/02/2024	1.01	82,500
40,000	0.060	28/02/2024	1.04	40,000
11,250	0.180	24/05/2024	1.27	11,250
7,500	0.120	05/11/2024	1.72	7,500
1,632,441	0.150	10/12/2024	1.82	1,632,441
132,000	0.245	19/02/2025	2.02	-
60,000	0.060	28/02/2025	2.04	-
24,750	0.180	24/05/2025	2.27	-
16,500	0.120	05/11/2025	2.72	-
2,077,652	0.150	10/12/2025	2.82	-
168,000	0.245	19/02/2026	3.02	-
132,000	0.060	28/02/2026	3.04	-
31,500	0.180	24/05/2026	3.27	-
21,000	0.120	05/11/2026	3.72	-
168,000	0.060	28/02/2027	4.04	-
5,564,611	0.152		2.13	2,733,209

(e) Warrants

During the three months ended January 31, 2023, the Company saw the below warrants expire:

- (i) 20,866,967 share purchase warrants at an exercise price of \$0.230 per common share
- (ii) 4,418,852 Agent share purchase warrants at an exercise price of \$0.150 per common share
- (iii) 8,695,652 share purchase warrants at an exercise price of \$0.320 per common share

As at January 31, 2023, the following warrants were outstanding:

	Expiry Date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Agent's Warrants	December 31, 2023	1,080,137	\$0.080	0.88 years
Warrants	December 31, 2023	10,125,000	\$0.120	0.88 years
Warrants	December 31, 2023	4,527,767	\$0.130	0.88 years
		15,732,904	\$0.120	0.88 years

TOMBILL MINES LIMITED

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9. Share capital (cont'd)

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

Three months ended January 31,	2023	2022
Risk free rate	1.23%	0.25%
Dividend yield	0%	0%
Weighted average volatility	102.10%	138.23%
Weighted average expected life	2 years	2 years
Weighted average fair value	\$ 0.029	\$ 0.074

(f) Reserves

	January 31, 2023		January 31, 2022	
Balance, October 31, 2023 and 2022	\$	942,857	\$	787,551
Agents' warrants (Note 10(e))		-		30,828
Options issued (Note 10(d))		70,442		111,944
Closing balance	\$	1,013,299	\$	930,323

10. 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 three months ended January 31, 2023 and 2022 were as follows:

January 31,	2023		2022	
Chief Executive Officer	\$	42,181	\$	58,348
Chief Financial Officer		35,858		50,960
Total	\$	78,038	\$	109,308

During the three months ended January 31, 2023 the Company:

- (i) Recognized an aggregate of \$70,442 (2022 - \$111,944) in share-based compensation on the vested portion of stock options granted to directors and officers of the Company.

TOMBILL MINES LIMITED

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11. 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.

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 January 31, 2023, the Company was holding cash and cash equivalent deposits of \$2,688,027 (January 31, 2022 - \$5,573,971) to settle current liabilities of \$678,639 (January 31, 2022 - \$470,198). Management believes it has sufficient funds to meet its current obligations as they become due and to fund its exploration projects and administrative costs.

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 and interest accrued on GIC investments.

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Notes to the Condensed Consolidated Interim Financial Statements
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11. Financial and capital risk management objectives and policies and fair value (cont'd)

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.

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 January 31, 2023 and 2022 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.

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

The Company's financial instruments at January 31, 2023 are classified as follows:

Three months ended	January 31, 2023		January 31, 2022	
	FVTPL	Amortized cost	FVTPL	Amortized cost
Financial assets				
Cash	\$ 347,240.00	-	\$ 1,688,027.00	-
Cash equivalents	-	-	1,000,000.00	-
Financial Liabilities				
Trade payables	-	(336,043.00)	-	(678,639.00)
	\$ 347,240.00	(336,043.00)	\$ 2,688,027.00	(678,639.00)

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.

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. There were no changes in the Company's approach to capital management during the period. In the management of capital, the Company includes the components of shareholders' equity, as well as cash. As at January 31, 2023, 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.