

# **TOMBILL MINES LIMITED**

Condensed Consolidated Interim Financial Statements

For three months ended January 31, 2024, and 2023

(Unaudited, expressed in Canadian Dollars)

# TOMBILL MINES LIMITED

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# TOMBILL MINES LIMITED

Consolidated Interim statements of Financial Position  
(Unaudited, expressed in Canadian Dollars)

	Note	January 31, 2023	October 31, 2023
<b>Assets</b>			
Current assets:			
Cash and cash equivalents		\$ 591,135	\$ 274,543
Receivables	5	4,571	4,022
Prepaid expenses		34,588	15,569
		<b>630,294</b>	<b>294,134</b>
Other assets:			
Equipment		2,376	3,774
		<b>\$ 632,670</b>	<b>\$ 297,908</b>
<b>Liabilities and Shareholders' Equity (Deficit)</b>			
Current liabilities:			
Trade payables and accrued liabilities	6	\$ 109,591	\$ 287,512
		<b>109,591</b>	<b>287,512</b>
Shareholders' Equity (Deficit):			
Share capital	8	\$ 13,511,837	\$ 12,791,967
Reserve	8(f)	932,195	917,880
Deficit		(13,920,954)	(13,699,449)
		<b>523,078</b>	<b>10,398</b>
		<b>\$ 632,670</b>	<b>\$ 297,908</b>

Nature and continuance of operations (Note 1)

The accompanying notes form an integral part of these consolidated financial statements.

# Tombill Mine Limited

Consolidated Interim statements of Loss and Comprehensive loss  
(Unaudited, expressed in Canadian Dollars)

	Note	Three months ended January 31,	
		2024	2023
<b>Expenses:</b>			
Exploration		\$ -	\$ 100
Administrative fees		-	434
Consulting	9	80,389	99,062
Depreciation		1,402	1,402
Marketing		2,279	1,717
Office and miscellaneous		49,720	22,671
Professional fees		23,926	26,867
Property tax		20,934	15,751
Regulatory and transfer agent fees		10,270	5,060
Insurance		3,505	5,528
Share-based compensation	8(d)(f)	14,315	70,442
		<b>(224,147)</b>	<b>(249,034)</b>
<b>LOSS BEFORE OTHER ITEMS</b>		<b>(224,147)</b>	<b>(249,034)</b>
Other Items:			
Interest income		753	4
Other income (expense)		5,250	-
Listing expense		(20,768)	(3,458)
		<b>(14,765)</b>	<b>(3,454)</b>
<b>LOSS BEFORE INCOME TAXES</b>		<b>(221,505)</b>	<b>(252,488)</b>
Deferred income tax recovery		-	-
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>\$ (221,505)</b>	<b>\$ (252,488)</b>
Loss per common share			
- basic and diluted		<b>\$ (0.001)</b>	<b>\$ (0.001)</b>
Weighted average number of common shares outstanding			
- basic and diluted		<b>221,503,451</b>	<b>172,943,452</b>

The accompanying notes form an integral part of these consolidated financial statements.

## Tombill Mine Limited

Consolidated Interim statements of Changes in Equity (Deficit)  
(Unaudited, expressed in Canadian Dollars)

### For the three months ended January 31, 2024

	Note	Share capital		Reserve	Deficit	Total Equity
		Shares	Amount			
<b>Balance, October 31, 2023</b>		<b>172,943,452</b>	<b>\$ 12,791,967</b>	<b>\$ 917,880</b>	<b>\$ (13,699,449)</b>	<b>\$ 10,398</b>
Private Placement shares	8(b)(e)	48,559,999	728,400			728,400
Share issuance costs:	8(b)		(8,530)			(8,530)
Share-based compensation	8(d)			14,315		14,315
Net loss for the year					(221,505)	(221,505)
<b>Balance, January 31, 2024</b>		<b>221,503,451</b>	<b>\$ 13,511,837</b>	<b>\$ 932,195</b>	<b>\$ (13,920,954)</b>	<b>\$ 523,078</b>

### For the three months ended January 31, 2023

	Note	Share capital		Reserve	Deficit	Total Equity
		Shares	Amount			
<b>Balance, October 31, 2022</b>		<b>172,943,452</b>	<b>\$ 12,783,517</b>	<b>\$ 942,857</b>	<b>\$ (13,496,477)</b>	<b>\$ 229,897</b>
Share issuance costs:	8(b)		(11,487)		19,938	8,449
Share-based compensation	8(d)			70,442		70,442
Net loss for the year					(252,488)	(252,488)
<b>Balance, January 31, 2023</b>		<b>172,943,452</b>	<b>\$ 12,772,030</b>	<b>\$ 1,013,299</b>	<b>\$ (13,729,029)</b>	<b>\$ 56,300</b>

### For the year ended October 31, 2023

	Note	Share capital		Reserve	Deficit	Total Equity
		Shares	Amount			
<b>Balance, October 31, 2022</b>		<b>172,943,452</b>	<b>\$ 12,783,517</b>	<b>\$ 942,857</b>	<b>\$ (13,496,477)</b>	<b>\$ 229,897</b>
Share issuance costs:			8,450			8,450
Share-based compensation	8(d)			157,781		157,781
Options/Warrants Expired	8(d)			(182,758)	182,758	-
Net loss for the year					(385,730)	(385,730)
<b>Balance, January 31, 2023</b>		<b>172,943,452</b>	<b>\$ 12,791,967</b>	<b>\$ 917,880</b>	<b>\$ (13,699,449)</b>	<b>\$ 10,398</b>

The accompanying notes form an integral part of these consolidated financial statements.

# Tombill Mines Limited

Consolidated Interim statements of Cash Flows  
(Unaudited, expressed in Canadian Dollars)

	Note	Three months ended January 31,	
		2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net and comprehensive loss for the year		\$ (221,505)	\$ (252,488)
Items not affecting cash:		-	-
Depreciation		1,402	1,402
Share-based compensation	8(d)	14,315	70,442
Deferred income tax recovery		-	-
		<b>(205,788)</b>	<b>(172,195)</b>
Changes in non-cash working capital items:			
Receivables		(550)	11,183
Prepaid expenses		(19,019)	(19,701)
Trade payables and accrued liabilities		(177,921)	24,692
Cash used in operating activities		<b>(403,278)</b>	<b>(156,018)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Disposal of equipment		-	-
Cash used in investing activities		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Private placements	8(b)	728,400	-
Share issuance costs - cash	8(b)	(8,530)	-
Cash provided by financing activities		<b>719,870</b>	-
<b>Change and cash equivalents:</b>		<b>316,592</b>	<b>(156,018)</b>
at the beginning of the year		<b>274,543</b>	<b>503,258</b>
<b>Cash and cash equivalents, end of year</b>		<b>\$ 591,135</b>	<b>\$ 347,240</b>

The accompanying notes form an integral part of these consolidated financial statements.

# TOMBILL MINES LIMITED

Notes to the Consolidated Interim Financial Statements  
(Unaudited, expressed in Canadian Dollars)

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## 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, 2022, 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 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 of January 31, 2024, the Company had not yet achieved profitable operations, had accumulated losses of \$13,920,954 (2023: \$13,729,029) since its inception and expects to incur further losses in the development of its business, all which casts significant doubt about the Company’s ability to continue as a going concern. 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.

# TOMBILL MINES LIMITED

Notes to the Consolidated Interim Financial Statements  
(Unaudited, expressed in Canadian Dollars)

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## 2. Statement of compliance and significant accounting policies

### a) Statement of compliance with IFRS

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Interpretations Committee ("IFRIC").

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, 2023

These consolidated financial statements were authorized for issue on March 15<sup>th</sup> 2024 by the directors of the Company.

### b) Basis of presentation

These 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 consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiary unless otherwise noted.

These consolidated 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 Consolidated Interim Financial Statements  
(Unaudited, expressed in Canadian Dollars)

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## 3. Significant accounting policies

### a) Significant accounting judgments, estimates and assumptions.

The preparation of the Company's consolidated interim financial statements in conformity with IFRS 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 consolidated 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 behaviors 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 in 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 on 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 Consolidated Interim Financial Statements  
(Unaudited, expressed in Canadian Dollars)

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## 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 consolidated 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.

### e) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment charges. Such a 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.

#### **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 consolidated 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 consolidated 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.

# TOMBILL MINES LIMITED

Notes to the Consolidated Interim Financial Statements  
(Unaudited, expressed in Canadian Dollars)

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### 3. Significant accounting policies (cont'd)

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 ("OCI"). 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 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 consolidated 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 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.

#### *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 of January 31, 2024, and 2023 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 an indication exists, the recoverable amount of the asset is estimated 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.

# TOMBILL MINES LIMITED

Notes to the Consolidated Interim Financial Statements  
(Unaudited, expressed in Canadian Dollars)

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## 3. Significant accounting policies (cont'd)

### i) Impairment of assets (cont'd)

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 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 year.

During the three months ended January 31, 2024, and 2023, all outstanding stock options and warrants were anti-dilutive and were excluded from the calculation of diluted loss per share.

### l) Changes to accounting standards

The Company is adopting amendments and improvements of existing standards. These new standards and changes did not have any material impact on the interim financial statements.

### Accounting pronouncements not yet adopted.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 and IFRS Practice Statement 2 - In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

# TOMBILL MINES LIMITED

Notes to the Consolidated Interim Financial Statements  
(Unaudited, expressed in Canadian Dollars)

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### 3. Significant accounting policies (cont'd)

#### l) Changes to accounting standards (cont'd)

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

### 4. Recovery of Expenses

During the year ended October 31, 2023, the Company fully release the total of 254,657 for disputed liabilities recorded in previous years. As of October 31, 2023, these disputes have been resolved in the company's favor and as a result, these amounts have been recorded as a recovery of expenses in the year ended October 31, 2023.

### 5. Receivables

	January 31, 2024	January 31, 2023
Government Sales Tax credits	\$ 4,571	2,407
	\$ 4,571	\$ 2,407

### 6. Trades payable and accrued liabilities

	January 31, 2024	January 31, 2023
Trade payables	\$ 93,863	\$ 331,565
Accrued liabilities	15,728	34,478
	\$ 109,591	\$ 366,043

### 7. Exploration and evaluation expenditures

The Company has certain claims located within the amalgamated Town of Greenstone, Ontario.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

# TOMBILL MINES LIMITED

Notes to the Consolidated Interim Financial Statements  
(Unaudited, expressed in Canadian Dollars)

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## 8. Share capital

### (a) Authorized

Unlimited number of common shares without par value.

### (b) Issued and outstanding

During the three months January 31, 2024, the company raised successfully \$720,000 through a private placement issuing 48,559,999 new common shares and 48,559,999 new warrants. \$47,999,999 for cash at \$0.015 per share and 560,000 for share issuance costs the number of outstanding shares is 221,503,451.

### (c) Escrow shares.

Pursuant to an escrow agreement dated February 25, 2011, as of January 31, 2024, nil (January 31, 2023 - 234,000) 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 of January 31, 2024, nil (January 31, 2023 - 27,965,997) 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 are summarized as follows:

	Options Outstanding	Weighted Average Exercise Price
Outstanding, October 31, 2023	5,329,611	0.152
Granted	-	-
Forfeited and expired	(768,019)	0.154
Outstanding, January 31, 2024	4,561,593	0.150

During the Three months January 31, 2024:

- I. the Company granted nil (2023: 750,000) share options to eligible recipients,
- II. a total of 768,019 (2023: 1,390,015) share options were forfeited or expired by eligible recipients,
- III. the Company recorded share-based compensation cost of \$14,315 (2023: \$70,442) (Note 8(f)).

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.

# TOMBILL MINES LIMITED

Notes to the Consolidated Interim Financial Statements  
(Unaudited, expressed in Canadian Dollars)

## 8. Share capital (cont'd)

### (d) Share options (cont'd)

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

Year ended	January 31, 2024
Risk free interest rate	0.33%
Expected dividend yield	0.00%
Stock price volatility	125.00%
Weighted average expected life	1.48 years
Weighted average fair value	0.114

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

Number of Options	Exercise Price	Expiry Date	Remaining Option's Life (Years)	Number of Options Exercisable
60,000	0.245	19/02/2024	0.54	60,000
40,000	0.060	28/02/2024	0.56	40,000
11,250	0.180	24/05/2024	0.80	11,250
7,500	0.120	05/11/2024	1.25	7,500
1,632,441	0.150	10/12/2024	1.34	1,632,441
132,000	0.245	19/02/2025	1.54	132,000
60,000	0.060	28/02/2025	1.56	60,000
24,750	0.180	24/05/2025	1.80	24,750
16,500	0.120	05/11/2025	2.25	16,500
2,077,652	0.150	10/12/2025	2.34	2,077,652
168,000	0.245	19/02/2026	2.54	-
132,000	0.060	28/02/2026	2.56	-
31,500	0.180	24/05/2026	2.80	-
168,000	0.060	28/02/2027	3.56	-
<b>4,561,593</b>	<b>0.150</b>		<b>1.48</b>	<b>4,062,093</b>

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

### (e) Warrants

During the three months ended January 31, 2024, the Company issued 48,559,999 share purchase warrants at an exercise price of \$0.05 per common share until November 2, 2028, in connection to the private placement of 48,559,999 units. Following this the following warrants were outstanding:

	Expiry Date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Warrants	November 2, 2028	48,559,999	\$0.05	4.83 years
		<b>48,559,999</b>	<b>\$0.05</b>	<b>4.83 years</b>

### (f) Reserves

Options and agent warrants	January 31, 2024	January 31, 2023
Balance	\$ 917,880	\$ 942,857
Options vested (Note 9(d))	14,315	70,442
Closing balance	<b>\$ 938,195</b>	<b>\$ 1,013,299</b>

# TOMBILL MINES LIMITED

Notes to the Consolidated Interim Financial Statements  
(Unaudited, expressed in Canadian Dollars)

## 9. Related party transactions

Key management personnel (KMP) 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 KMP during the three months January 31, 2024, and 2023 were as follows:

	2024	2023
Chief Executive Officer	\$ 19,182	\$ 42,181
Chief Financial Officer	6,500	35,858
Total	\$ 25,682	\$ 78,038

During the three months January 31, 2024, the Company:

- I. Recognized an aggregate of \$14,315 (2023: \$ 70,442) in share-based compensation on the vested portion of stock options granted to eligible parties (Note 8(d))
- II. Paid a total of \$74,343 (2023: \$70,145) to Cerise property limited a UK based entity providing serviced office services where the CFO is a shareholder & Director for primarily office & PA services.

## 10. 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 of January 31, 2024, the Company was holding cash and cash equivalent deposits of \$591,135 (2023: \$347,240) to settle current liabilities of \$109,591 (2023: \$336,043). 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 cash equivalents. 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.



# TOMBILL MINES LIMITED

Notes to the Consolidated Interim Financial Statements  
(Unaudited, expressed in Canadian Dollars)

## 10. 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, 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 observable for the asset or liability, either directly or indirectly;

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

As of January 31, 2024, there were no financial instruments measured at fair value.

The Company's financial instruments on January 31, 2024, and 2024 are classified as follows:

		FVTPL		Amortized cost	
		2024	2023	2024	2023
<b>Financial assets</b>	Cash	-	-	\$ 591,135	347,240
<b>Financial Liabilities</b>	Trade payables	-	-	(109,591)	(336,043)
		-	-	\$ (481,544)	11,197

# TOMBILL MINES LIMITED

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

### h) 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 of January 31, 2024, 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.

## 11. Commitments

The Company has consulting agreements with its key management personnel. These contracts require payments upon termination of approximately \$40,000 pursuant to the terms of these contracts. These amounts have not been recorded in these consolidated financial statements as a triggering event has not taken place.