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**ESKAY MINING CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED**  
**NOVEMBER 30, 2023 AND 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**Notice to Reader**

The accompanying unaudited condensed interim financial statements of Eskay Mining Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

# Eskay Mining Corp.

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

	As at November 30, 2023	As at February 28, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 647,707	\$ 3,024,574
Amounts receivable (note 6)	1,288,982	200,659
Prepaid expenses and other deposits (note 3)	570,228	329,907
<b>Total current assets</b>	<b>2,506,917</b>	<b>3,555,140</b>
<b>Non-current assets</b>		
Deposits (note 4)	99,503	94,303
Investment in associate (note 10)	5,378,603	5,690,302
Equipment (note 5)	224,338	175,015
<b>Total assets</b>	<b>\$ 8,209,361</b>	<b>\$ 9,514,760</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities (note 8)	\$ 81,119	\$ 326,767
Seabridge loan (notes 9)	-	2,783,325
<b>Total current liabilities</b>	<b>81,119</b>	<b>3,110,092</b>
<b>Non-current liabilities</b>		
Provision for reclamation (note 7)	75,542	71,414
<b>Total liabilities</b>	<b>156,661</b>	<b>3,181,506</b>
<b>Shareholders' equity</b>		
Share capital (note 11)	113,693,197	113,693,197
Reserves	14,728,845	14,161,913
Accumulated deficit	(120,369,342)	(121,521,856)
<b>Total shareholders' equity</b>	<b>8,052,700</b>	<b>6,333,254</b>
<b>Total shareholders' equity and liabilities</b>	<b>\$ 8,209,361</b>	<b>\$ 9,514,760</b>

Nature of operations and going concern (note 1)  
Commitments and contingencies (note 17)  
Subsequent events (note 19)

### Approved on behalf of the Board of Directors:

"Hugh M. (Mac) Balkam", Director

"J. Gordon McMehen", Director

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

## Eskay Mining Corp.

### Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian dollars)

(Unaudited)

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022
<b>Operating expenses</b>				
Exploration and evaluation expenditures (recovery) (note 4)	\$ 814,594	\$ 3,827,601	\$ (232,565)	\$ 13,397,401
General and administrative (note 15)	586,329	262,692	1,968,305	4,607,300
<b>Total operating expenses</b>	<b>(1,400,923)</b>	<b>(4,090,293)</b>	<b>(1,735,740)</b>	<b>(18,004,701)</b>
<b>Other items</b>				
Interest income	2,086	18,101	38,709	46,935
Amortization (note 5)	(10,688)	(7,971)	(28,190)	(23,700)
Accretion (note 9)	-	(93,757)	-	(281,271)
Flow-through share liability recovery	-	-	-	1,902,223
Gain on termination of loan (note 9)	-	-	3,158,353	-
Loss from investment in associate (note 10)	(190,724)	(506,749)	(309,714)	(634,302)
Loss (gain) on dilution of investment in associate (note 10)	(1,985)	9,823	(1,985)	188,230
Income tax recovery	-	44,082	-	44,082
<b>Net income (loss) and comprehensive income (loss) for the period</b>	<b>\$ (1,602,234)</b>	<b>\$ (4,626,764)</b>	<b>\$ 1,121,433</b>	<b>\$ (16,762,504)</b>
<b>Net income (loss) per share - Basic and Diluted (note 14)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ 0.01</b>	<b>\$ (0.10)</b>
<b>Weighted average number of common shares outstanding - Basic (note 14)</b>	<b>183,617,123</b>	<b>183,492,123</b>	<b>183,617,123</b>	<b>175,457,535</b>
<b>Weighted average number of common shares outstanding - Diluted (note 14)</b>	<b>183,617,123</b>	<b>183,492,123</b>	<b>187,770,232</b>	<b>175,457,535</b>

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

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**Eskay Mining Corp.****Condensed Interim Statements of Cash Flows****(Expressed in Canadian Dollars)****(Unaudited)**

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**Nine Months  
Ended  
November 30,  
2023                      2022**

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**Operating activities**

Net income (loss) for the period	\$ 1,121,433	\$ (16,762,504)
Adjustments for:		
Share-based payments (note 12)	973,041	3,425,349
Amortization (note 5)	28,190	23,700
Accretion (note 7 and 9)	4,128	322,867
Flow-through share liability recovery	-	(1,902,223)
Loss from investment in associate (note )	309,714	634,302
(Loss) gain on dilution of investment in associate (note )	1,985	(188,230)
Gain on termination of loan (note 9)	(3,158,353)	-
Changes in non-cash working capital items:		
Amounts receivable	(1,088,323)	304,421
Prepaid expenses and other deposits	(245,521)	110,843
Amounts payable and other liabilities	(245,648)	65,422

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**Net cash used in operating activities** **(2,299,354)**    **(13,966,053)**

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**Investing activity**

Purchase of equipment	(77,513)	(94,550)
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**Net cash used in investing activities** **(77,513)**    **(94,550)**

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**Financing activities**

Proceeds from private placements (note 11)	-	7,000,002
Share issue costs	-	(114,124)
Proceeds from exercise of stock options	-	765,100
Proceeds from exercise of warrants	-	9,360,865

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**Net cash provided by financing activities** **-**    **17,011,843**

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**Net change in cash and cash equivalents** **(2,376,867)**    **2,951,240**

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**Cash and cash equivalents, beginning of period** **3,024,574**    **876,222**

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**Cash and cash equivalents, end of period** **\$ 647,707**    **\$ 3,827,462**

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**Supplemental information**

Proceeds received from mineral claim sales	\$ 3,000,000	\$ -
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The accompanying notes to the financial statements are an integral part of these statements.

## Eskay Mining Corp.

### Condensed Interim Statements of Changes in Shareholders' Equity (Expressed in Canadian Dollars) (Unaudited)

#### Equity attributable to shareholders

	Share capital	Reserves	Accumulated deficit	Total
<b>Balance, February 28, 2022</b>	<b>\$ 95,982,395</b>	<b>\$ 12,083,662</b>	<b>\$102,576,546)</b>	<b>\$ 5,489,511</b>
Units issued through private placements (note 11(b)(i))	7,000,002	-	-	7,000,002
Share issue costs - cash	(114,124)	-	-	(114,124)
Flow-through share premium	(1,902,223)	-	-	(1,902,223)
Exercise of stock options (note 11(b)(ii))	1,464,059	(698,959)	-	765,100
Expiry of stock options	-	(429,139)	429,139	-
Exercise of warrants (note 11(b)(iii))	9,360,865	-	-	9,360,865
Share-based payments (note 12)	-	3,425,349	-	3,425,349
Net loss for the period	-	-	(16,762,504)	(16,762,504)
<b>Balance, November 30, 2022</b>	<b>\$111,790,974</b>	<b>\$ 14,380,913</b>	<b>\$ (118,909,911)</b>	<b>\$ 7,261,976</b>
<b>Balance, February 28, 2023</b>	<b>\$113,693,197</b>	<b>\$ 14,161,913</b>	<b>\$(121,521,856)</b>	<b>\$ 6,333,254</b>
Expiry of stock options	-	(31,081)	31,081	-
Expiry of warrants	-	(375,028)	-	(375,028)
Share-based payments (note 12)	-	973,041	-	973,041
Net income for the period	-	-	1,121,433	1,121,433
<b>Balance, November 30, 2023</b>	<b>\$113,693,197</b>	<b>\$ 14,728,845</b>	<b>\$ (120,369,342)</b>	<b>\$ 8,052,700</b>

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

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# **Eskay Mining Corp.**

**Notes to Condensed Interim Financial Statements**  
**Three and Nine Months Ended November 30, 2023**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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## **1. Nature of operations and going concern**

Eskay Mining Corp. (the "Company" or "Eskay") is a Canadian company incorporated in British Columbia and listed for trading on the TSX Venture Exchange ("TSXV"), the Frankfurt Stock Exchange and the OTCQB Venture Market in the United States. The Company is primarily engaged in the acquisition and exploration of mineral properties. The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

These unaudited condensed interim financial statements were approved by the board of directors on January 26, 2024.

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company has incurred losses in prior periods, and had a net income of \$1,121,433 during the nine months ended November 30, 2023 (nine months ended November 30, 2022 - net loss of \$16,762,504), has an accumulated deficit of \$120,369,342 (February 28, 2023 - \$121,521,856). These conditions indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these unaudited condensed interim financial statements.

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 operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to social and government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's mineral exploration property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

## **2. Significant accounting policies**

### ***(a) Statement of compliance***

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of January 26, 2024, the date the Board of Directors approved these unaudited condensed interim financial statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended February 28, 2023, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending February 29, 2024 could result in restatement of these unaudited condensed interim financial statements.

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## Eskay Mining Corp.

Notes to Condensed Interim Financial Statements  
Three and Nine Months Ended November 30, 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

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### 2. Significant accounting policies (continued)

(b) *New accounting policies*

#### Future accounting policies

##### *IAS 1 Classification of Liabilities as Current or Non-Current (Amendment)*

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024 and is to be applied retrospectively.

### 3. Prepaid expenses and other deposits

	As at November 30, 2023	As at February 28, 2023
Prepaid expenses <sup>(1)</sup>	\$ 148,228	\$ 71,188
Deposits <sup>(2)</sup>	422,000	258,719
	<b>\$ 570,228</b>	<b>\$ 329,907</b>

<sup>(1)</sup> As at November 30, 2023, included in prepaid expenses are \$2,063 (February 28, 2023 - \$2,063), for an advance to the CEO of the Company.

<sup>(2)</sup> As at November 30, 2023, there are deposits of \$422,000 (February 28, 2023 - \$258,719), related to airborne geophysical surveys, drilling, and camp expenses for the Company's exploration program.

## Eskay Mining Corp.

Notes to Condensed Interim Financial Statements  
Three and Nine Months Ended November 30, 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

### 4. Exploration and evaluation expenditures (recovery)

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022
<b>ESKAY-Corey</b>				
Surveying, sampling and analysis	\$ 360,917	\$ 854,519	\$ 669,808	\$ 1,596,423
Geological and consulting	213,495	1,444,239	1,381,311	5,566,157
Camping procurement and expediting	166,850	734,792	651,736	2,475,353
Claims	-	-	19,827	8,077
Transportation	71,956	780,185	1,040,625	3,384,495
Accretion (note 7)	1,376	13,866	4,128	41,596
Access road costs	-	-	-	325,300
Sale of mineral claims	-	-	(4,000,000)	-
<b>Total exploration and evaluation expenditures (recovery)</b>	<b>\$ 814,594</b>	<b>\$ 3,827,601</b>	<b>\$ (232,565)</b>	<b>\$ 13,397,401</b>

### ESKAY-Corey

The ESKAY-Corey property is comprised of the following:

#### St. Andrew (SIB)

Pursuant to an option agreement dated May 7, 2008 and amending option agreement dated January 17, 2013 with St. Andrew Goldfields Ltd., the Company earned an 80% interest in the SIB Property at Eskay Creek, British Columbia (the "Property") by expending an aggregate of \$3.98 million on exploration of the Property and issuing further 265,000 common shares. On January 26, 2016, Kirkland Lake Gold Inc. ("Kirkland Lake") announced it completed the acquisition of St. Andrew. St. Andrew is a wholly-owned subsidiary of Kirkland Lake and continued to hold a 20% interest in the SIB Property. St. Andrew and the Company entered into an agreement with an effective date of November 25, 2016 for the further exploration and development of the Property. Pursuant to a Royalty Agreement dated March 8, 2021, the Company acquired the remaining 20% interest in SIB from Kirkland Lake, to hold a 100% working interest, in consideration for the granting of a 2% Net Smelter Returns Royalty on the SIB in favour of Kirkland Lake.

#### Corey claim

In September 1990, the Company acquired a 100% interest in mineral tenures located in the Skeena Mining Division, Province of British Columbia for \$30,000 cash and a royalty of 5% of net profits from these claims to a maximum of \$250,000.

These mineral exploration properties are located in northwestern British Columbia, 70 km northwest of Stewart. The Company holds a 100% interest in these mineral tenures subject to a 2% net smelter royalty.

On July 7, 2023, the Company sold 5 mining claims in the Golden Triangle area of BC to Skeena Resources Limited ("Skeena") in consideration for aggregate cash payments of \$4 million. The initial consideration of \$2 million was paid to the Company on closing, a further \$1 million is payable on October 31, 2023 (received) and the final \$1 million payment is payable on December 31, 2023 (received - note 19). Eskay retains a 2% net smelter royalty ("Royalty") in the Claims. Skeena can purchase 50% of the Royalty at any time for \$2 million. In addition, Eskay will not be required to pay any road use fees to Skeena for its use of the Eskay Creed Road for the five year period ending December 31, 2027, provided that its road use those years is consistent with its road use in 2022. Four of the claims are north and west of the Skeena Eskay Creek Project and one of the Claims is adjacent to the west side of the Skeena Eskay Creek Project.

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## Eskay Mining Corp.

Notes to Condensed Interim Financial Statements  
Three and Nine Months Ended November 30, 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

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### 4. Exploration and evaluation expenditures (continued)

#### Deposits and Exploration Advances

As at November 30, 2023, the Company had \$99,503 (February 28, 2023 - \$94,303) of deposits and exploration advances held by the provincial government of British Columbia. Such deposits were required by the B.C Ministry of Energy and Mines in order to permit the Company to conduct exploration and evaluation activities in that province.

### 5. Equipment

#### Cost

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Balance, February 28, 2022	\$	129,947
Addition		94,550

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Balance, February 28, 2023	\$	224,497
Addition		77,513

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Balance, November 30, 2023	\$	302,010
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#### Accumulated amortization

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Balance, February 28, 2023	\$	49,482
Amortization		28,190

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Balance, November 30, 2023	\$	77,672
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#### Carrying amounts

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At February 28, 2023	\$	175,015
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At November 30, 2023	\$	224,338
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### 6. Amounts receivable

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	November 30, 2023	February 28, 2023
Sales tax recoverable - (Canada)	\$ 288,766	\$ 200,659
Provincial sales tax - BC	216	-
Proceeds receivable (notes 4 and 19)	1,000,000	-
	\$ 1,288,982	\$ 200,659

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### 7. Provision for reclamation

The Company's provision for reclamation costs is based on management's estimated costs to dismantle and remove its facilities as well as an estimate of the future timing of the costs to be incurred. The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the provision for closure and reclamation associated with the dismantling and removal of the Company's camp:

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Balance at February 28, 2023	\$	71,414
Accretion		4,128
Balance at November 30, 2023	\$	75,542

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## Eskay Mining Corp.

Notes to Condensed Interim Financial Statements  
Three and Nine Months Ended November 30, 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

### 7. Provision for reclamation (continued)

The Company has estimated its total provision for reclamation to be \$75,542 at November 30, 2023 (February 28, 2023 - \$71,414) based on an estimated total future liability of approximately \$131,152 and an inflation rate of 7.7% (February 28, 2023 - 7.7%) and a discount rate of 3.59% (February 28, 2023 - 3.59%).

### 8. Amounts payable and other liabilities

Amounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration and evaluation expenditures and general operating and administrative activities:

	November 30, 2023	February 28, 2023
Accounts payable	\$ 25,786	\$ 194,096
Accruals and others	55,333	132,671
<b>Total amounts payable and other liabilities</b>	<b>\$ 81,119</b>	<b>\$ 326,767</b>

The following is an aged analysis of amounts payable and other liabilities:

	November 30, 2023	February 28, 2023
Less than 1 month	\$ 79,308	\$ 233,303
1 to 3 months	-	90,962
Greater than 3 months	1,811	2,502
<b>Total amounts payable and other liabilities</b>	<b>\$ 81,119</b>	<b>\$ 326,767</b>

### 9. Seabridge loan

On November 11, 2021, the Company entered into an Amended Cost Sharing Agreement to share equally the costs of construction of the first 9 kilometres (the "First Segment of the CCAR") of the Coulter Creek Access Road ("CCAR"), estimated to cost \$12.5 million, limiting Eskay's contribution to a maximum of \$6,250,000. Pursuant to the Amended Cost Sharing Agreement, Seabridge will provide Eskay with a \$3 million revolving loan facility at an interest rate of 3% per year.

The loan will be payable by no later than the later of December 31, 2022 and 30 days after (i) Eskay has incurred an aggregate of \$6,250,000 for its share of the costs of construction and (ii) delivery of the final accounting of construction costs by Seabridge. The costs incurred to date for the construction of the First Segment of the CCAR were approximately \$5.5 million, Eskay's share of which was funded through the drawdown of approximately \$2.7 million of the loan facility. Construction will commence in 2023 and Eskay will pay its additional share of the costs of the First Segment of the CCAR based upon monthly cash calls which are anticipated to be evenly spread over the remainder of the construction to be completed in 2023.

Since Eskay does not have control over the road and does not have a lease providing unrestricted access to the road, all expenditures associated with this access road have been expensed and included in exploration and evaluation expenditures in the statement of loss.

Eskay issued 500,000 bonus warrants to Seabridge in consideration for making the loan facility available. The bonus warrants are exercisable at \$3.00 per share until the later of December 31, 2022 and 30 days after (i) Eskay has incurred an aggregate of \$6,250,000 for its share of the costs of construction and (ii) delivery of the final accounting of construction costs by Seabridge subject to early expiry pursuant to the rules of the TSX Venture Exchange (the "TSX V"). The warrants were valued at \$375,028 using the Black-Scholes pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 80% based on the Company's historical volatility; share price of \$2.65; risk-free interest rate of 0.93% and an expected life of one year.

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# Eskay Mining Corp.

## Notes to Condensed Interim Financial Statements Three and Nine Months Ended November 30, 2023 (Expressed in Canadian Dollars) (Unaudited)

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### 9. Seabridge Loan (continued)

On June 6, 2023, Eskay, Seabridge and KSM agreed to terminate the amended Cost Sharing Agreement and release each other from all obligations under the Amended Cost Sharing Agreement, including any obligations relating to the completion of the First Segment of the CCAR, any obligation of Eskay to contribute to construction costs relating to the First Segment of the CCAR or any obligation of Seabridge to provide further loans or of Eskay to repay loans provided by Seabridge, or interest thereon. In addition, the 500,000 Bonus Warrants issued to Seabridge were cancelled.

### 10. Investment in associate

An associate is an entity over which the Company has significant influence, and is not a subsidiary or joint venture. Significant influence is presumed to exist when the Company has the power to be actively involved and influential in financial and operating policy decisions of the associate.

The Company accounts for its investment in an associate using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of profit and loss of the associate and for impairment losses after the initial recognition date. The Company's share of comprehensive earnings or losses of associates is recognized in comprehensive income (loss) during the period. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment.

For the three and nine months ended November 30, 2023, the Company recognized its share of Garibaldi Resources Corp. ("GGI") loss of \$190,724 and \$309,714, respectively (three and nine months ended November 30, 2022 - \$506,749 and \$634,302, respectively), using the equity method.

As at November 30, 2023, the Company has a total ownership of 17.25%. During the nine months ended November 30, 2023, GGI issued 100,000 shares for mineral properties.

During the three and nine months ended November 30, 2023, GGI issued 100,000 shares resulting in a dilution of the Company's interest of 0.01% (2022 - 0.88%) for total ownership of 17.25% or \$1,985 (2022 - \$506,749 and \$634,302).

The changes to the carrying amounts presented in the consolidated statement of financial position can be summarized as follows:

	<b>As at November 30, 2023</b>	<b>As at February 28, 2023</b>
Balance, beginning of year	\$ 5,690,302	\$ 6,091,409
Loss from investment in associate	(309,714)	(738,086)
(Loss) gain on dilution of investment in associate	(1,985)	336,979
Balance, end of period	<b>\$ 5,378,603</b>	<b>\$ 5,690,302</b>

The following is a summary of the financial information of GGI, adjusted to conform with the accounting policies of Eskay, on a 100% basis as at the specified date and for the periods then ended, as disclosed in the table below, which is the most recent publicly available information for GGI.

## Eskay Mining Corp.

Notes to Condensed Interim Financial Statements  
Three and Nine Months Ended November 30, 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

### 10. Investment in associate (continued)

	As at October 31, 2023	As at January 31, 2023
Cash and cash equivalents	818,882	2,088,001
Total current assets	906,273	2,349,224
Total non-current assets	274,329	275,069
Total current liabilities	(1,681,681)	(1,367,436)
Total non-current liabilities	(3,637,000)	(3,637,000)
Net loss	1,794,936	3,447,206
Proportionate share of net loss	(309,714)	(401,107)

### 11. Share capital

#### a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

#### b) Common shares issued

As at November 30, 2023, the issued share capital amounted to \$113,693,197 (February 28, 2023 - \$113,693,197). Changes in issued share capital are as follows:

	Number of common shares	Amount
<b>Balance, February 28, 2022</b>	<b>163,936,993</b>	<b>\$ 95,982,395</b>
Issuance of charity flow-through units (i)	2,222,223	7,000,002
Flow-through share premium	-	(1,902,223)
Share issue costs - cash	-	(114,124)
Exercise of stock options (ii)	3,670,000	765,100
Value transferred to share capital from exercise of stock options (ii)	-	698,959
Exercise of warrants (iii)	13,787,907	9,360,865
<b>Balance, November 30, 2022</b>	<b>183,617,123</b>	<b>\$111,790,974</b>
<b>Balance, February 28, 2023 and November 30, 2023</b>	<b>183,617,123</b>	<b>\$113,693,197</b>

(i) On April 6, and 22, 2022, the Company closed the first and second tranches of its non-brokered private placement and raised aggregate proceeds of \$7,000,002 pursuant to the offering and issued 2,222,223 flow-through units to be sold to charitable purchasers (the "Charity FT Units") at a price of \$3.15 per Charity FT Units. Each Charity FT Unit consists of one common share of the Company to be issued as a flow-through share within the meaning of the Income Tax Act (Canada) and one common share purchase warrant. Each warrant shall entitle the holder to purchase one common share at a price of \$3.40 at any time on or before that date which is 24 months after the closing date.

# Eskay Mining Corp.

## Notes to Condensed Interim Financial Statements Three and Nine Months Ended November 30, 2023 (Expressed in Canadian Dollars) (Unaudited)

### 11. Share capital (continued)

#### b) Common shares issued (continued)

(ii) During the nine months ended November 30, 2022, 3,670,000 stock options were exercised for the following prices: (1) 70,000 common shares of the Company at \$0.08 per share; (2) 550,000 common shares of the Company at \$0.135 per share; (3) 200,000 common shares of the Company at \$0.215 per share; (4) 1,900,000 common shares of the Company at \$0.22 per share; (5) 750,000 common shares of the Company at \$0.235 per share and (6) 200,000 common shares at \$0.24 per share for gross proceeds of \$765,100. A total value of \$698,959 was transferred to share capital from reserves as a result of the exercise of these stock options.

(iii) During the nine months ended November 30, 2022, 13,787,907 warrants were exercised for common shares of the Company for gross proceeds of \$9,360,865. The warrants were exercised for the following prices: (1) 5,323,888 common shares of the Company at \$0.80 per share; (2) 5,901,470 common shares of the Company at \$0.30 per share; and (3) 2,562,549 common shares of the Company at \$1.30 per share.

### 12. Stock options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, February 28, 2022</b>	<b>14,095,000</b>	<b>0.94</b>
Exercised (note 11(b)(ii))	(3,670,000)	0.21
Granted (i)(ii)	2,205,000	1.81
Expired	(175,000)	2.78
<b>Balance, November 30, 2022</b>	<b>12,455,000</b>	<b>1.28</b>
<b>Balance, February 28, 2023</b>	<b>11,455,000</b>	<b>1.37</b>
Granted (iii)(iv)	1,550,000	0.72
Expired	(20,000)	1.81
<b>Balance, November 30, 2023</b>	<b>12,985,000</b>	<b>1.29</b>

(i) On July 4, 2022, the Company granted 2,200,000 stock options to officers, directors and consultants of Eskay at \$1.81 per share for five years expiring July 4, 2027. These options vested immediately. These options have a grant date fair value of \$3,418,963, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 128% based on the Company's historical volatility; share price of \$1.81; risk-free interest rate of 3.04% and an expected life of five years. During the three and nine months ended November 30, 2023, \$nil (three and nine months ended November 30, 2022 - \$nil and \$3,418,963, respectively) was recorded as share-based payments.

(ii) On September 21, 2022, the Company granted 5,000 stock options to officers, directors and consultants of Eskay at \$1.49 per share for five years expiring September 21, 2027. These options vested immediately. These options have a grant date fair value of \$6,386, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 127% based on the Company's historical volatility; share price of \$1.49; risk-free interest rate of 3.35% and an expected life of five years. During the three and nine months ended November 30, 2023, \$nil (three and nine months ended November 30, 2022 - \$6,386) was recorded as share-based payments.

## Eskay Mining Corp.

Notes to Condensed Interim Financial Statements  
Three and Nine Months Ended November 30, 2023  
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### 12. Stock options (continued)

(iii) On March 20, 2023, the Company granted 1,250,000 stock options to officers, directors and consultants of Eskay at \$0.66 per share for five years expiring March 20, 2028. These options vested immediately. These options have a grant date fair value of \$738,971, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 122% based on the Company's historical volatility; share price of \$0.70; risk-free interest rate of 2.96% and an expected life of five years. During the three and nine months ended November 30, 2023, \$nil and \$738,971, respectively (three and nine months ended November 30, 2022 - \$nil) was recorded as share-based payments.

(iv) On July 11, 2023, the Company granted 300,000 stock options to a director of Eskay at \$0.95 per share for five years expiring July 11, 2028. These options vest on November 12, 2023. These options have a grant date fair value of \$234,070, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 121% based on the Company's historical volatility; share price of \$0.93; risk-free interest rate of 3.95% and an expected life of five years. During the three and nine months ended November 30, 2023, \$201,364 and \$234,070, respectively (three and nine months ended November 30, 2022 - \$nil) was recorded as share-based payments.

The following table reflects the actual stock options issued and outstanding as of November 30, 2023:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Grant Date Fair value (\$)
March 6, 2024	0.08	0.27	1,500,000	1,500,000	106,500
September 5, 2024	0.095	0.77	1,300,000	1,300,000	109,200
December 9, 2024	0.135	1.03	1,000,000	1,000,000	128,500
June 24, 2025	0.24	1.57	1,500,000	1,500,000	308,850
July 21, 2025	0.46	1.64	350,000	350,000	144,725
February 5, 2026	3.00	2.19	3,600,000	3,600,000	9,563,760
July 04, 2027	1.81	3.59	2,180,000	2,180,000	3,418,963
September 21, 2027	1.49	3.81	5,000	5,000	6,386
March 20, 2028	0.66	4.31	1,250,000	1,250,000	738,971
July 11, 2028	0.95	4.62	300,000	300,000	234,070
<b>Total</b>	<b>1.27</b>	<b>1.62</b>	<b>12,985,000</b>	<b>12,985,000</b>	<b>14,759,925</b>

The weighted average exercise price of the vested options as at November 30, 2023 is \$1.27.

### 13. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price (\$)
<b>Balance, February 28, 2022</b>	<b>20,127,327</b>	<b>1.13</b>
Issued (note 11(b)(i))	2,222,223	3.40
Exercised (note 11(b)(iii))	(13,787,907)	(0.68)
<b>Balance, November 30, 2022</b>	<b>8,561,643</b>	<b>2.69</b>

## Eskay Mining Corp.

Notes to Condensed Interim Financial Statements  
Three and Nine Months Ended November 30, 2023  
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### 13. Warrants (continued)

	Number of warrants	Weighted average exercise price (\$)
Balance, February 28, 2023	6,433,942	3.02
Expired	(4,211,719)	(2.82)
Balance, November 30, 2023	2,222,223	3.40

The following table reflects the warrants issued and outstanding as of November 30, 2023:

Expiry date	Number of warrants outstanding	Exercise price (\$)
April 6, 2024	666,666	3.40
April 22, 2024	1,555,557	3.40
	2,222,223	3.40

### 14. Net income (loss) per common share

	Three Months Ended November 30, 2023		Nine Months Ended November 30, 2023	
Weighted average number of common shares outstanding - Basic	183,617,123	183,492,123	183,617,123	175,457,535
Dilutive effect of stock options and warrants	-	-	4,153,109	-
Weighted average number of common shares outstanding - Diluted	183,617,123	183,492,123	187,770,232	175,457,535
<b>Net income (loss) per share</b>				
- Basic	\$ (0.01)	\$ (0.03)	\$ 0.01	\$ (0.10)
- Diluted	\$ (0.01)	\$ (0.03)	\$ 0.01	\$ (0.10)

The diluted loss per share for the three and nine months ended November 30, 2022, and three months ended November 30, 2023 excluded all outstanding options and warrants as were anti-dilutive.

## Eskay Mining Corp.

Notes to Condensed Interim Financial Statements  
Three and Nine Months Ended November 30, 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

### 15. General and administrative

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022
Professional fees (note 16(ii) and (iii))	\$ 23,444	\$ 30,140	\$ 129,611	\$ 158,655
Reporting issuer costs	58,026	37,259	113,396	90,271
Office and general	158,803	96,678	348,986	579,025
Advertising and promotion	52,649	16,478	125,158	97,137
Management and consulting fees (note 16(i))	91,339	74,978	275,959	248,661
Interest and bank charges	704	773	2,154	8,202
Share-based payments (note 12)	201,364	6,386	973,041	3,425,349
	\$ 586,329	\$ 262,692	\$ 1,968,305	\$ 4,607,300

### 16. Related party balances and transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Eskay entered into the following transactions with related parties:

(i) For the three and nine months ended November 30, 2023, the Company paid or accrued \$179,610 and \$433,330, respectively in management and consulting fees to companies controlled by Marrelli Group of Companies, Balkam Partner, and Robert Myhill who are controlled by officers of the Company (three and nine months ended November 30, 2022 - \$45,275 and \$258,661, respectively). As at November 30, 2023, these officers have balances outstanding to the Company of \$nil (February 28, 2023 - \$16,526). These amounts are unsecured, non-interest bearing and due on demand.

(ii) For the three and nine months ended November 30, 2023, the Company paid or accrued \$6,393 and \$23,896, respectively in professional fees (November 30, 2022 - \$6,104 and \$29,193, respectively) to Marrelli Group of Companies (defined as Marrelli Support Services Inc., DSA Filing Services Ltd.) who is controlled by an officer of the Company. As at November 30, 2023, this Company is owed \$2,333 (February 28, 2023 - \$6,797).

(iii) During the three and nine months ended November 30, 2023, the Company paid professional fees and disbursements of \$10,151 and \$68,249, respectively (November 30, 2022 - \$20,372 and \$165,378, respectively) to Gardiner Roberts LLP ("Gardiner"), a law firm of which William R. Johnstone, Corporate Secretary of the Company, is a partner. These services were for general corporate matters. As at November 30, 2023, Gardiner is owed \$1,326 (February 28, 2023 - \$6,815) and this amount is included in amounts due to related parties. These balances are unsecured, non-interest bearing, and due on demand.

(iv) See note 3.

(v) See note 11(b)(ii).

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# **Eskay Mining Corp.**

**Notes to Condensed Interim Financial Statements**  
**Three and Nine Months Ended November 30, 2023**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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## **16. Related party balances and transactions (continued)**

As at November 30, 2023, Hugh Balkam, a director of the Company owns 16,883,345 common shares of the Company carrying approximately 9.19% of the voting rights attached to all common shares of the Company. As at November 30, 2023, directors and officers of the Company control an aggregate of 30,820,990 common shares of the Company or approximately 16.79% of the shares outstanding.

As at November 30, 2023, the Company is not aware of any arrangements that may at result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

## **17. Commitments and contingencies**

### Environmental contingencies

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

### Management contract

The Company is party to management contracts that require additional payments of up to \$340,000 to be made upon the occurrence of certain events such as termination for any reason, other than for just cause. The Company is also party to management contracts that require additional payments of up to \$1,600,000 to be made upon the occurrence of certain events such as a change of control. As the triggering event has not occurred, the contingent payments have not been reflected in these unaudited condensed interim financial statements.

## **18. Segmented information**

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

## **19. Subsequent events**

Further to the Company's Press Release of July 10, 2023, subsequent to the end of the quarter, the Company received the final \$1 million payment from Skeena Resources Limited for the sale to Skeena of 5 mining claims in the Golden Triangle area of BC.