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**SOKOMAN MINERALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**THREE AND SIX MONTHS ENDED**  
**DECEMBER 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**Notice To Reader**

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

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**Sokoman Minerals Corp.****Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian Dollars)****Unaudited**

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|   | <b>As at<br/>December 31,<br/>2022</b> | <b>As at<br/>June 30,<br/>2022</b> |
|---|--|------------------------------------|
| <b>ASSETS</b>                                     |  |                                    |
| <b>Current assets</b>                             |  |                                    |
| Cash and cash equivalents                         | \$ 7,923,565                           | \$ 10,339,658                      |
| Amounts receivable (note 3)                       | 396,074                                | 613,563                            |
| Prepaid expenses (note 3)                         | 63,145                                 | 43,746                             |
| Security deposit (note 3)                         | 2,150                                  | 2,150                              |
| Marketable securities (note 4)                    | 134,122                                | 165,594                            |
| <b>Total current assets</b>                       | <b>8,519,056</b>                       | <b>11,164,711</b>                  |
| <b>Non-current assets</b>                         |  |                                    |
| Property and equipment (note 5)                   | 271,428                                | 281,029                            |
| Exploration and evaluation assets (note 6)        | 1,068,265                              | 1,078,684                          |
| <b>Total assets</b>                               | <b>\$ 9,858,749</b>                    | <b>\$ 12,524,424</b>               |
| <b>EQUITY AND LIABILITIES</b>                     |  |                                    |
| <b>Current liabilities</b>                        |  |                                    |
| Accounts payable and accrued liabilities (note 9) | \$ 806,902                             | \$ 1,663,718                       |
| <b>Total liabilities</b>                          | <b>806,902</b>                         | <b>1,663,718</b>                   |
| <b>Equity</b>                                     |  |                                    |
| Share capital (note 8)                            | 39,401,176                             | 35,974,018                         |
| Warrants (note 8)                                 | 2,910,867                              | 2,376,067                          |
| Contributed surplus                               | 6,544,144                              | 6,262,798                          |
| Deficit   | (39,804,340)                           | (33,752,177)                       |
| <b>Total equity</b>                               | <b>9,051,847</b>                       | <b>10,860,706</b>                  |
| <b>Total equity and liabilities</b>               | <b>\$ 9,858,749</b>                    | <b>\$ 12,524,424</b>               |

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

Nature of operations and going concern (note 1)

Commitments (note 10)

## Sokoman Minerals Corp.

### Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

|   | Three Months<br>Ended<br>December 31,<br>2022 | Three Months<br>Ended<br>December 31,<br>2021 | Six Months<br>Ended<br>December 31,<br>2022 | Six Months<br>Ended<br>December 31,<br>2021 |
|---|---|---|---|---|
| <b>Expenses</b>   |   |   |   |   |
| Mineral exploration expenses (notes and 9)                  | \$ 2,234,074                                  | \$ 2,053,743                                  | \$ 5,378,936                                | \$ 4,601,783                                |
| Office and general  | 56,831  | 77,996  | 95,341                                      | 113,279                                     |
| Filing fees   | 9,995   | 9,224   | 14,537                                      | 17,112                                      |
| Business development and promotion (note 9)                 | 60,693  | 100,379                                       | 142,328                                     | 186,697                                     |
| Directors fees (note 9)                                     | 8,474   | 5,100   | 15,674                                      | 14,100                                      |
| Professional fees (note 9)                                  | 41,891  | 75,469  | 70,273                                      | 94,085                                      |
| Salaries and benefits (note 9)                              | 30,314  | 14,394  | 53,969                                      | 27,172                                      |
| Share-based payments (note 9)                               | 89,718  | 386,937                                       | 281,346                                     | 825,126                                     |
| Amortization (note 5)                                       | 196   | 244   | 392   | 488   |
| Write down of mineral properties (note 6)                   | -   | -   | 21,750                                      | -   |
| <b>Net loss before other items</b>                          | <b>(2,532,186)</b>                            | <b>(2,723,486)</b>                            | <b>(6,074,546)</b>                          | <b>(5,879,842)</b>                          |
| <b>Other items</b>  |   |   |   |   |
| Interest income   | 27,477  | 2,746   | 60,957                                      | 4,797                                       |
| Loss on sale of property and equipment                      | -   | -   | 734   | -   |
| Unrealized gain (loss) on marketable securities (note 4)    | (1,306)                                       | 19,333  | (39,308)                                    | (33,792)                                    |
|   | 26,171  | 22,079  | 22,383                                      | (28,995)                                    |
| <b>Net and comprehensive loss for the period</b>            | <b>\$ (2,506,015)</b>                         | <b>\$ (2,701,407)</b>                         | <b>\$ (6,052,163)</b>                       | <b>\$ (5,908,837)</b>                       |
| <b>Basic and diluted net loss per share</b>                 | <b>\$ (0.01)</b>                              | <b>\$ (0.01)</b>                              | <b>\$ (0.03)</b>                            | <b>\$ (0.03)</b>                            |
| <b>Weighted average number of common shares outstanding</b> | <b>214,764,966</b>                            | <b>200,065,445</b>                            | <b>214,513,952</b>                          | <b>199,834,115</b>                          |

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

**Sokoman Minerals Corp.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

|   | Six Months<br>Ended<br>December 31,<br>2022 | Six Months<br>Ended<br>December 31,<br>2021 |
|---|---|---|
| <b>Operating activities</b>   |   |   |
| Net loss for the period   | \$ (6,052,163)                              | \$ (5,908,837)                              |
| Adjustments for:  |   |   |
| Amortization  | 392   | 488   |
| Amortization in exploration expenses                                  | 39,890                                      | 29,650                                      |
| Share-based compensation  | 281,346                                     | 825,126                                     |
| Write down of mineral properties                                      | 21,750                                      | -   |
| Gain on sale of property and equipment                                | (734)                                       | -   |
| Unrealized loss (gain) on marketable securities                       | 39,308                                      | 33,792                                      |
| Changes in non-cash working capital items:                            |   |   |
| Amounts receivable  | 217,489                                     | (533,403)                                   |
| Prepaid expenses  | (19,399)                                    | (35,907)                                    |
| Security deposit  | -   | (1,750)                                     |
| Accounts payable and accrued liabilities                              | (856,816)                                   | 36,788                                      |
| <b>Net cash used in operating activities</b>                          | <b>(6,328,937)</b>                          | <b>(5,554,053)</b>                          |
| <b>Investing activities</b>   |   |   |
| Exploration and evaluation assets expenditures (net of cash received) | (75)  | (18,315)                                    |
| Purchase of property and equipment                                    | (36,947)                                    | (69,074)                                    |
| Proceeds from sale of property and equipment                          | 7,000                                       | -   |
| <b>Net cash used in investing activities</b>                          | <b>(30,022)</b>                             | <b>(87,389)</b>                             |
| <b>Financing activities</b>   |   |   |
| Proceeds from private placement                                       | 4,142,752                                   | -   |
| Share issuance costs  | (199,886)                                   | -   |
| Warrants exercised  | -   | 134,210                                     |
| Stock options exercised   | -   | 27,500                                      |
| <b>Net cash provided by financing activities</b>                      | <b>3,942,866</b>                            | <b>161,710</b>                              |
| <b>Net change in cash and cash equivalents</b>                        | <b>(2,416,093)</b>                          | <b>(5,479,732)</b>                          |
| <b>Cash and cash equivalents, beginning of period</b>                 | <b>10,339,658</b>                           | <b>15,395,505</b>                           |
| <b>Cash and cash equivalents, end of period</b>                       | <b>\$ 7,923,565</b>                         | <b>\$ 9,915,773</b>                         |
| <b>Supplemental information</b>                                       |   |   |
| Shares issued to acquire exploration properties                       | \$ 19,092                                   | \$ 131,207                                  |
| Shares received for exploration properties                            | \$ 7,836                                    | \$ -  |

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

## Sokoman Minerals Corp.

### Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

|   | Share capital      |                      |                     |                     |                        |                      |
|---|--------------------|----------------------|---------------------|---------------------|------------------------|----------------------|
|   | Number of shares   | Share capital        | Warrants            | Contributed surplus | Deficit                | Total                |
| <b>Balance, June 30, 2021</b>                   | <b>199,426,397</b> | <b>\$ 31,867,413</b> | <b>\$ 1,014,984</b> | <b>\$ 4,960,785</b> | <b>\$ (21,487,265)</b> | <b>\$ 16,355,917</b> |
| Warrants exercised                              | 506,050            | 172,993              | (38,783)            | -                   | -                      | 134,210              |
| Stock options exercised                         | 125,000            | 47,163               | -                   | (19,663)            | -                      | 27,500               |
| Shares issued to acquire exploration properties | 243,449            | 131,207              | -                   | -                   | -                      | 131,207              |
| Share-based payments                            | -                  | -                    | -                   | 825,126             | -                      | 825,126              |
| Net loss and comprehensive loss for the period  | -                  | -                    | -                   | -                   | (5,908,837)            | (5,908,837)          |
| <b>Balance, December 31, 2021</b>               | <b>200,300,896</b> | <b>\$ 32,218,776</b> | <b>\$ 976,201</b>   | <b>\$ 5,766,248</b> | <b>\$ (27,396,102)</b> | <b>\$ 11,565,123</b> |
| <b>Balance, June 30, 2022</b>                   | <b>214,190,396</b> | <b>\$ 35,974,018</b> | <b>\$ 2,376,067</b> | <b>\$ 6,262,798</b> | <b>\$ (33,752,177)</b> | <b>\$ 10,860,706</b> |
| Private placement                               | 14,795,544         | 4,142,752            | -                   | -                   | -                      | 4,142,752            |
| Share issue costs                               | -                  | (199,886)            | -                   | -                   | -                      | (199,886)            |
| Warrant valuation                               | -                  | (534,800)            | 534,800             | -                   | -                      | -                    |
| Shares issued to acquire exploration properties | 92,107             | 19,092               | -                   | -                   | -                      | 19,092               |
| Share-based payments                            | -                  | -                    | -                   | 281,346             | -                      | 281,346              |
| Net loss and comprehensive loss for the period  | -                  | -                    | -                   | -                   | (6,052,163)            | (6,052,163)          |
| <b>Balance, December 31, 2022</b>               | <b>229,078,047</b> | <b>\$ 39,401,176</b> | <b>\$ 2,910,867</b> | <b>\$ 6,544,144</b> | <b>\$ (39,804,340)</b> | <b>\$ 9,051,847</b>  |

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

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# **Sokoman Minerals Corp.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**Three and Six Months Ended December 31, 2022**

**(Expressed in Canadian Dollars)**

**Unaudited**

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

Sokoman Minerals Corp. ("Sokoman" or "Company") is a public company listed on the TSX Venture Exchange (TSXV-SIC) and operating under the laws of the Province of British Columbia. The Company is an exploration-stage company that is in the process of exploring its mineral properties located in Canada and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered office is 82 Richmond Street East, Toronto, Ontario M5C 1P1.

These unaudited condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from December 31, 2022. At December 31, 2022, the Company has an accumulated deficit of \$39,804,340 (June 30, 2022 - deficit of \$33,752,177) and has working capital of \$7,712,154 (June 30, 2022 - \$9,500,993). The Company's ability to continue as a going concern is dependent upon its ability to generate sufficient funds and continue to obtain sufficient capital from investors to meet its current and future obligations. The Company is subject to risks and challenges similar to other exploration stage companies. As a result of these risks, a material uncertainty exists that cast's significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and these unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

### **2. Summary of significant accounting policies**

#### **Statement of compliance**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting. The accounting policies followed in these unaudited condensed interim consolidated financial statements are the same as those applied in the audited annual financial statements of the Company for the year ended June 30, 2022.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of February 28, 2023, the date the Audit Committee approved the statements.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, allocation of financing proceeds, and income taxes. Differences may be material.

The Company operates in one segment defined as the cash generating unit ("CGU") which is North America. These financial statements were authorized for issue by the Board of Directors on February 28, 2023.

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## Sokoman Minerals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended December 31, 2022

(Expressed in Canadian Dollars)

Unaudited

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## 2. Summary of significant accounting policies (continued)

### New and future accounting pronouncements

#### Amendment to IAS 1 - Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments must be applied retrospectively in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The Company is in the process of assessing the impact the amendments may have on future financial statements and plans to adopt the new standard retrospectively on the required effective date.

#### IFRS 10 - Consolidated Financial Statements ("IFRS 10") and IAS 28 - Investments in Associates and Joint Ventures ("IAS 28")

IFRS 10 and IAS 28 were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted. The amendments are not expected to have a significant impact on the Company's consolidated financial statements.

## 3. Amounts receivable, prepaid expenses and security deposit

|                     | As at<br>December 31,<br>2022 | As at<br>June 30,<br>2022 |
|---------------------|-------------------------------|---------------------------|
| Prepaid expenses    | \$ 63,145                     | \$ 43,746                 |
| Security deposit    | 2,150                         | 2,150                     |
| HST receivable      | 288,726                       | 491,920                   |
| Accounts receivable | 66,864                        | 76,831                    |
| Interest receivable | 40,484                        | 44,812                    |
|                     | <b>\$ 461,369</b>             | <b>\$ 659,459</b>         |

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## Sokoman Minerals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended December 31, 2022

(Expressed in Canadian Dollars)

Unaudited

#### 4. Marketable securities

All of the marketable securities held by the Company were acquired through current and prior year's property option and sales transactions with the below listed companies. As at December 31, 2022, the following securities were included in marketable securities:

|   | Number of<br>shares | Acquisition<br>cost | Fair value<br>adjustment | Fair value        |
|---|---------------------|---------------------|--------------------------|-------------------|
| Thunder Gold Corp. (formerly White Metal Resources Corp.) (i) | 1,750,000           | \$ 102,500          | \$ (32,500)              | \$ 70,000         |
| Trans Canada Gold Corp. (ii)                                  | 225,000             | 48,375              | (41,875)                 | 6,500             |
| Canterra Minerals Corp. (iii)                                 | 500,000             | 115,000             | (85,000)                 | 30,000            |
| Benton Resources Inc. (iv)                                    | 220,975             | 30,336              | (2,714)                  | 27,622            |
| Newfoundland Fluorspar Exploration Ltd.                       | 1,000,000           | -                   | -                        | -                 |
| Puddle Pond Resources Inc.                                    | 150,000             | -                   | -                        | -                 |
|   |                     | <b>\$ 296,211</b>   | <b>\$ (162,089)</b>      | <b>\$ 134,122</b> |

(i) The Company received a total of 1,750,000 shares as option payments valued at \$102,500 at the time of receipt for its Startrek property (see note 6).

(ii) The Company received 225,000 shares as an option payment valued at \$48,375 at the time of receipt for its Crippleback property (see note 6).

(iii) The Company received an aggregate of 500,000 shares as an option payment valued at \$115,000 at the time of receipt for its East Alder property (see note 6).

(iv) Pursuant to the Benton participation agreement, the Company received 220,975 Benton shares valued at \$30,336 at the time of receipt as Benton's contribution of the Company's Grey River option payments (see note 6).

#### 5. Property and equipment

| Cost                       | Office<br>equipment | Trucks     | Prospecting<br>equipment | Total      |
|----------------------------|---------------------|------------|--------------------------|------------|
| Balance, June 30, 2021     | \$ 12,649           | \$ 176,449 | \$ 78,480                | \$ 267,578 |
| Additions                  | -                   | 225,446    | -                        | 225,446    |
| Disposals                  | -                   | (78,323)   | -                        | (78,323)   |
| Balance, June 30, 2022     | 12,649              | 323,572    | 78,480                   | 414,701    |
| Additions                  | -                   | 36,947     | -                        | 36,947     |
| Disposals                  | -                   | (21,494)   | -                        | (21,494)   |
| Balance, December 31, 2022 | \$ 12,649           | \$ 339,025 | \$ 78,480                | \$ 430,154 |

## Sokoman Minerals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended December 31, 2022

(Expressed in Canadian Dollars)

Unaudited

#### 5. Property and equipment (continued)

| Accumulated Amortization    | Office<br>equipment | Trucks     | Prospecting<br>equipment | Total      |
|-----------------------------|---------------------|------------|--------------------------|------------|
| Balance, June 30, 2021      | \$ 7,760            | \$ 41,850  | \$ 35,684                | \$ 85,294  |
| Disposals                   | -                   | (24,791)   | -                        | (24,791)   |
| Depreciation for the year   | 976                 | 63,633     | 8,560                    | 73,169     |
| Balance, June 30, 2022      | 8,736               | 80,692     | 44,244                   | 133,672    |
| Disposals                   | -                   | (15,228)   | -                        | (15,228)   |
| Depreciation for the period | 392                 | 36,466     | 3,424                    | 40,282     |
| Balance, December 31, 2022  | \$ 9,128            | \$ 101,930 | \$ 47,668                | \$ 158,726 |

| Carrying value             | Office<br>equipment | Trucks     | Prospecting<br>equipment | Total      |
|----------------------------|---------------------|------------|--------------------------|------------|
| Balance, June 30, 2022     | \$ 3,913            | \$ 242,880 | \$ 34,236                | \$ 281,029 |
| Balance, December 31, 2022 | \$ 3,521            | \$ 237,095 | \$ 30,812                | \$ 271,428 |

#### 6. Exploration and evaluation assets

|                      | June 30,<br>2021 | Additions<br>(Disposals) | June 30,<br>2022 | Additions<br>(Disposals) | December 31,<br>2022 |
|----------------------|------------------|--------------------------|------------------|--------------------------|----------------------|
| Moosehead            | \$ 368,689       | \$ -                     | \$ 368,689       | \$ -                     | \$ 368,689           |
| Crippleback          | 44,525           | (9,000)                  | 35,525           | -                        | 35,525               |
| East Alder           | 106,500          | (55,000)                 | 51,500           | -                        | 51,500               |
| Unity Resource       | 82,500           | -                        | 82,500           | -                        | 82,500               |
| Burin Property       | 1                | -                        | 1                | -                        | 1                    |
| Lamaline             | 1                | -                        | 1                | -                        | 1                    |
| Iron Horse           | 1                | -                        | 1                | -                        | 1                    |
| Fleur de Lys         | 139,600          | 145,750                  | 285,350          | -                        | 285,350              |
| Benton Joint Venture | 149,805          | 105,312                  | 255,117          | (10,419)                 | 244,698              |
| Total                | \$ 891,622       | \$ 187,062               | \$ 1,078,684     | \$ (10,419)              | \$ 1,068,265         |

#### Moosehead

The Company acquired 100% of the property during the year ended June 30, 2018. The Company issued 7,754,371 common shares and issued 1,428,571 share purchase warrants. The purchase warrants had an exercise price of \$0.05 per share and were fully exercised in 2019. The property is subject to a 2% NSR royalty. The Company had a requirement to incur \$500,000 in exploration expenditures on the property, which was incurred during the year ended June 30, 2019. Hence this spending requirement has been met.

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## Sokoman Minerals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended December 31, 2022

(Expressed in Canadian Dollars)

Unaudited

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#### 6. Exploration and evaluation assets (continued)

##### **Fleur de Lys**

In March 2021, the Company acquired the Fleur de Lys Project on the Baie Verte Peninsula of northwestern Newfoundland, through staking and option agreements.

In June 2021, the Company entered into 2 property option agreements:

- The Company can acquire a 100% interest in a property (the "Duffitt Property") subject to a 2% NSR in favour of the optionors. 1% of the NSR may be purchased by the Company for \$1,000,000. Pursuant to the option agreement, the Company can acquire 100% interest in the Duffitt Property for the following considerations:
  - Cash payment of \$20,000 (completed);
  - Issuance of 75,000 Sokoman shares upon TSX Venture Exchange approval (completed);
  - Cash payment of \$20,000 and issuance of 100,000 Sokoman shares on or before the first anniversary (completed);
  - Cash payment of \$25,000 and issuance of 100,000 Sokoman shares on or before the second anniversary; and
  - Cash payment of \$35,000 and issuance of 175,000 Sokoman shares on or before the third anniversary.
- The Company can acquire a 100% interest in a property (the "Squires/McGuire Property") subject to a 2% NSR in favour of the optionors. 1% of the NSR may be purchased by the Company for \$1,000,000. Pursuant to the option agreement, the Company can acquire 100% interest in the Squires/McGuire Property for the following considerations:
  - Cash payment of \$5,000 (completed);
  - Issuance of 25,000 Sokoman shares upon TSX Venture Exchange approval (completed);
  - Cash payment of \$10,000 and issuance of 50,000 Sokoman shares on or before the first anniversary (completed);
  - Cash payment of \$15,000 and issuance of 75,000 Sokoman shares on or before the second anniversary; and
  - Cash payment of \$20,000 and issuance of 100,000 Sokoman shares on or before the third anniversary.

##### **Benton Joint Venture**

##### Golden Hope and Kepenkeck

In May 2021, the Company entered into a strategic alliance with Benton Resources Inc. ("Benton") to jointly acquire and explore gold opportunities in Newfoundland. The Company and Benton acquired, by staking, a new property named the Golden Hope Joint Venture. The joint venture also includes 50-50 joint venture on Benton's Kepenkeck Gold property.

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## Sokoman Minerals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended December 31, 2022

(Expressed in Canadian Dollars)

Unaudited

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#### 6. Exploration and evaluation assets (continued)

##### Grey River

In May 2021, the Company and Benton jointly acquired the Grey River Project optioned from local interests under letter agreements.

In July 2021, the Company entered into 2 property option agreements on behalf of the strategic alliance with Benton:

- The Company can acquire a 100% interest in a property (the "Lewis Property") subject to a 1.5% NSR in favour of the optionors. 1% of the NSR may be purchased by the Company for \$1,000,000. Pursuant to the option agreement, the Company can acquire 100% interest in the Lewis Property for the following considerations:
  - Cash payment of \$10,000 (completed);
  - Issuance of 50,000 Sokoman shares upon TSX Venture Exchange approval (completed);
  - Cash payment of \$10,000 and issuance of 50,000 Sokoman shares on or before the first anniversary (completed);
  - Cash payment of \$10,000 and issuance of 50,000 Sokoman shares on or before the second anniversary; and
  - Cash payment of \$10,000 and issuance of 500,000 Sokoman shares on or before the third anniversary.
- The Company can acquire a 100% interest in a property (the "G2B Property") subject to a 1.5% NSR in favour of the optionors. 1% of the NSR may be purchased by the Company for \$1,000,000. Pursuant to the option agreement, the Company can acquire 100% interest in the G2B Property for the following considerations:
  - Cash payment of \$10,000 (completed);
  - Issuance of 50,000 Sokoman shares upon TSX Venture Exchange approval (completed);
  - Cash payment of \$10,000 and issuance of 50,000 Sokoman shares on or before the first anniversary; and
  - Cash payment of \$10,000 and issuance of 50,000 Sokoman shares on or before the second anniversary.

During the six months ended December 31, 2022, the Company returned the G2B Property to the vendors and wrote down the mineral properties by \$21,750.

##### Larry's Pond

Sokoman and Benton jointly entered into an option agreement to acquire the Larry's Pond Project. Under the terms of the joint venture, the Company will reimburse Benton for 50% of the following option payments to be made by Benton:

- Cash payment of \$10,000 on execution of the agreement (completed);
- Issuance of 50,000 Benton shares upon receipt of Exchange approval of the agreement (completed);
- Cash payment of \$10,000 and issuance of 50,000 Benton shares by the first anniversary;
- Cash payment of \$10,000 and issuance of 50,000 Benton shares by the second anniversary; and
- Cash payment of \$30,000 and issuance of 50,000 Benton shares by the third anniversary.

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## Sokoman Minerals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended December 31, 2022

(Expressed in Canadian Dollars)

Unaudited

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#### 6. Exploration and evaluation assets (continued)

##### Central Newfoundland Gold Project

During the year ended June 30, 2017, the Company acquired, through a combination of staking and option, the central Newfoundland Gold Project which consists of three separate properties: 1. Crippleback Lake; 2. Princess Lake; and, 3. East Alder properties in central Newfoundland.

##### Crippleback Lake

The property was acquired during the year ended June 30, 2017. To obtain a 100% interest, the Company is committed to the following payments: total cash of \$34,500 (paid) and, share payments totaling 600,000 (issued) over a three-year option agreement. The vendors will retain a 2% NSR with a buyback of 1% for \$1 million, as well as, a 1% NSR on Sokoman's contiguous claims with a \$500,000 cash buyback of 0.5%. The vendors will also receive 10% of the value of any third party transaction Sokoman completes on the property, as well as first consideration for any eligible field work.

In June 2021, the Company entered into an option agreement with Trans Canada Gold Corp ("Trans Canada"), whereby Trans Canada can earn a 100% interest in the Crippleback property, subject to a 1% NSR, by issuing a total of 1,250,000 shares of Trans Canada (225,000 shares received) to the Company as well as cash and work commitments totaling \$600,000 over a 4-year period. In June 2022, Trans Canada returned the property to the Company with no interest retained by Trans Canada.

##### East Alder

The property was acquired during the year ended June 30, 2017 and consists of two licenses and two separate agreements with:

a) Benton Resources Inc.

To obtain a 100% interest in this property, the Company is committed to the following payments:

- (i) 1 million common shares, due on signing of the agreement (completed);
- (ii) \$1,500 in cash, due on signing of the agreement (completed);
- (iii) 500,000 common shares, due on first anniversary of agreement date (completed);
- (iv) 500,000 common shares, due on second anniversary of agreement date (completed);

Sokoman is also committed to \$600,000 in payments, contingent on its reaching the following milestones:

- (i) \$100,000 payment in cash/shares/or mix, upon completion of a NI 43-101 compliant resource;
- (ii) \$200,000 payment in cash/shares/or mix upon completion of a pre-feasibility;
- (iii) \$300,000 cash payment upon completion of a final/full/bankable feasibility;

Benton Resources Inc. also retains a 2% NSR of which 1% can be purchased for \$1 million.

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## **Sokoman Minerals Corp.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Three and Six Months Ended December 31, 2022**

**(Expressed in Canadian Dollars)**

**Unaudited**

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#### **6. Exploration and evaluation assets (continued)**

##### **Central Newfoundland Gold Project (continued)**

b) Unity Resources – a private consortium;

To obtain a 100% interest in this property, the Company is committed to the following payments:

- (i) 750,000 common shares, due on signing of the agreement (completed);
- (ii) \$5,000 in cash, due on signing of the agreement (\$1,500 paid);
- (iii) 650,000 common shares, due on first anniversary of agreement date (completed);

Sokoman is also committed to \$600,000 in payments, contingent on its reaching the following milestones:

- (i) \$100,000 payment in cash/shares/or mix, upon completion of a NI 43-101 compliant resource;
- (ii) \$200,000 payment in cash/shares/or mix upon completion of a pre-feasibility;
- (iii) \$300,000 cash payment upon completion of a final/full/bankable feasibility;
- (iv) The vendors retain a 2% NSR of which half (1%) can be purchased for \$1 million cash.

In April 2021, the Company entered into an option agreement with Canterra Minerals Corporation ("Canterra") whereby Canterra can acquire 100% of the East Alder property. Pursuant to the terms of the option agreement, Canterra can acquire 100% of the property by issuing to the Company a total of 750,000 common shares of Canterra (500,000 common shares received) and work commitments totaling \$600,000 over a 4-year period. The Company will retain a 1.0% NSR on the property, with Canterra having the right to buy down 0.5% of the NSR for \$1,000,000.

##### **Startrek**

The Company acquired 100% interest in two antimony/gold properties in northeastern Newfoundland, the Startrek and Antimony Ridge properties. The Company has issued two million common shares of Sokoman. The property is subject to a 2% NSR royalty to the vendors. This acquisition agreement is with parties related to a Director at the time. The Antimony Ridge property has since been dropped leaving only the Startrek property.

On December 17, 2018, the Company entered into an option agreement to grant White Metal Resources Corp ("White Metal") a 100% interest in the Startrek property. On August 17, 2020, the Company amended the terms of the option agreement. Pursuant to the terms of the amended option agreement, White Metal is to issue to the Company the following as consideration:

- (i) 500,000 common shares of White Metal upon regulatory approval (received);
- (ii) 500,000 common shares on or before December 18, 2019 (received); and
- (iii) 750,000 common shares on August 17, 2020 (received).

As a result, the Company recognized an option income of \$52,500 during the year ended June 30, 2021.

## Sokoman Minerals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended December 31, 2022

(Expressed in Canadian Dollars)

Unaudited

#### 7. Mineral exploration expenses

A summary of exploration expenditures incurred for the periods ended December 31, 2022 and 2021 is as follows:

| <b>For six months ended December 31, 2022</b> | <b>Moosehead</b>    | <b>Fleur de Lys</b> | <b>Benton Joint Venture</b> | <b>Total</b>        |
|---|---------------------|---------------------|-----------------------------|---------------------|
| Field office expenses                         | \$ 144,396          | \$ 108,631          | \$ 109,706                  | \$ 362,733          |
| Geo services                                  | 454,177             | 4,793               | 203,627                     | 662,597             |
| Drilling                                      | 2,107,174           | -                   | 836,531                     | 2,943,705           |
| Analysis                                      | 521,135             | 2,000               | 53,074                      | 576,209             |
| Wages and salaries                            | 394,343             | 56,173              | 177,976                     | 628,492             |
| Amortization                                  | 39,890              | -                   | -                           | 39,890              |
| Travel and accommodations                     | 57,179              | 11,380              | 72,004                      | 140,563             |
| Administrative                                | -                   | -                   | 24,747                      | 24,747              |
| <b>Total</b>                                  | <b>\$ 3,718,294</b> | <b>\$ 182,977</b>   | <b>\$ 1,477,665</b>         | <b>\$ 5,378,936</b> |

| <b>For six months ended December 31, 2021</b> | <b>Moosehead</b>    | <b>Fleur de Lys</b> | <b>Benton Joint Venture</b> | <b>Total</b>        |
|---|---------------------|---------------------|-----------------------------|---------------------|
| Field office expenses                         | \$ 390,399          | \$ 119,553          | \$ 26,616                   | \$ 536,568          |
| Geo services                                  | 114,037             | 343,176             | 558,660                     | 1,015,873           |
| Drilling                                      | 2,248,306           | -                   | -                           | 2,248,306           |
| Analysis                                      | 98,185              | 3,316               | -                           | 101,501             |
| Wages and salaries                            | 436,187             | 38,737              | 66,613                      | 541,537             |
| Amortization                                  | 29,650              | -                   | -                           | 29,650              |
| Travel and accommodations                     | 38,839              | 51,936              | 31,425                      | 122,200             |
| Administrative                                | -                   | -                   | 6,148                       | 6,148               |
| <b>Total</b>                                  | <b>\$ 3,355,603</b> | <b>\$ 556,718</b>   | <b>\$ 689,462</b>           | <b>\$ 4,601,783</b> |

#### 8. Share capital

##### (a) Authorized share capital

- (i) an unlimited number of common shares
- (ii) an unlimited number of preferred shares issued in series (none issued to date)

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## Sokoman Minerals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended December 31, 2022

(Expressed in Canadian Dollars)

Unaudited

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#### 8. Share capital (continued)

##### (b) Common shares issued

|   | Number of<br>shares | Share capital |
|---|---------------------|---------------|
| Balance, June 30, 2021                          | 199,426,397         | \$ 31,867,413 |
| Warrants exercised                              | 506,050             | 172,993       |
| Stock options exercised                         | 125,000             | 47,163        |
| Shares issued to acquire exploration properties | 243,449             | 131,207       |
| Balance, December 31, 2021                      | 200,300,896         | \$ 32,218,776 |
| Balance, June 30, 2022                          | 214,190,396         | \$ 35,974,018 |
| Private placements (i)                          | 14,795,544          | 4,142,752     |
| Share issue costs (i)                           | -                   | (199,886)     |
| Warrant valuation (i)                           | -                   | (534,800)     |
| Shares issued to acquire exploration properties | 92,107              | 19,092        |
| Balance, December 31, 2022                      | 229,078,047         | \$ 39,401,176 |

(i) On December 28, 2022, the Company completed a non-brokered private placement for total proceeds of \$4,142,752 consisting of 14,795,544 flow-through units at a price of \$0.28 per unit. Each unit consisted of one common share and one half common share purchase warrant. Each whole warrant is exercisable for an exercise price of \$0.36 for a period of 18 months. In connection with the private placement, the Company incurred \$199,886 of cash share issuance costs.

The grant date fair value of the 7,397,772 warrants was estimated to be \$534,800 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 84%, risk-free interest rate of 4.02%, and expected life of 1.5 years.

##### (c) Stock options

The Company has adopted an incentive stock option plan in accordance with the policies of the TSX Venture (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares exercisable for a period of up to five (5) years.

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**Sokoman Minerals Corp.****Notes to Condensed Interim Consolidated Financial Statements****Three and Six Months Ended December 31, 2022****(Expressed in Canadian Dollars)****Unaudited**

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**8. Share capital (continued)****(c) Stock options (continued)**

Stock option transactions and the number of stock options outstanding are summarized as follows:

|  | <b>Number of<br/>stock options</b> | <b>Weighted<br/>average<br/>exercise price</b> |
|--|------------------------------------|--|
| Balance, June 30, 2021                       | 9,112,500                          | \$ 0.17  |
| Granted (i)                                  | 4,450,000                          | 0.44   |
| Exercised                                    | (125,000)                          | 0.08   |
| Cancelled                                    | (125,000)                          | 0.08   |
| Balance, December 31, 2021                   | 13,312,500                         | \$ 0.26  |
| Balance, June 30, 2022 and December 31, 2022 | 12,725,000                         | \$ 0.29  |

(i) On September 29, 2021, the Company granted 4,450,000 stock options to officers, directors, employees and consultants of the Company exercisable at a price of \$0.44 per common share. The options vest 1/4 each on grant date and every six months thereafter and expire in five years. The grant date fair value of \$1,423,100 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.35, expected dividend yield of 0%, expected volatility of 157% which is based on historical volatility of the Company's share price, risk-free rate of return of 1.11% and an expected maturity of 5 years. For the three and six months ended December 31, 2022, \$59,947 and \$208,595, respectively (three and six months ended December 31, 2021 - \$330,458 and \$689,825, respectively) was expensed to share-based compensation.

The following table reflects the actual stock options issued and outstanding as of December 31, 2022:

| <b>Expiry date</b> | <b>Exercise<br/>price (\$)</b> | <b>Weighted average<br/>remaining<br/>contractual<br/>life (years)</b> | <b>Number of<br/>options<br/>outstanding</b> |
|--------------------|--------------------------------|--|--|
| September 12, 2023 | 0.16                           | 0.70   | 3,950,000                                    |
| February 5, 2024   | 0.12                           | 1.10   | 500,000                                      |
| November 27, 2025  | 0.22                           | 2.91   | 2,825,000                                    |
| March 14, 2026     | 0.295                          | 3.20   | 250,000                                      |
| May 13, 2026       | 0.46                           | 3.37   | 150,000                                      |
| September 28, 2026 | 0.44                           | 3.75   | 4,450,000                                    |
| May 19, 2027       | 0.44                           | 4.38   | 600,000                                      |
|                    | 0.29                           | 2.52   | 12,725,000                                   |

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## Sokoman Minerals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended December 31, 2022

(Expressed in Canadian Dollars)

Unaudited

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#### 8. Share capital (continued)

##### (d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

|                            | Number of<br>warrants | Weighted<br>average<br>exercise price |
|----------------------------|-----------------------|---------------------------------------|
| Balance, June 30, 2021     | 13,098,650            | \$ 0.39                               |
| Exercised                  | (506,050)             | 0.27                                  |
| Expired                    | (13,000)              | 0.20                                  |
| Balance, December 31, 2021 | 12,579,600            | \$ 0.40                               |
| Balance, June 30, 2022     | 25,000,000            | \$ 0.43                               |
| Issued                     | 7,397,772             | 0.36                                  |
| Balance, December 31, 2022 | 32,397,772            | \$ 0.41                               |

The following table reflects the warrants outstanding as of December 31, 2022:

| Expiry date    | Exercise<br>price (\$) | Number of<br>warrants outstanding |
|----------------|------------------------|-----------------------------------|
| April 6, 2023  | 0.40                   | 10,614,704                        |
| May 28, 2023   | 0.40                   | 1,885,296                         |
| March 21, 2024 | 0.45                   | 12,500,000                        |
| June 29, 2024  | 0.36                   | 7,397,772                         |
|                | 0.43                   | 32,397,772                        |

#### 9. Related party transactions

(a) The Company entered into the following transactions with related parties:

(i) Included in business development and promotion is \$12,500 and \$31,250, respectively for the three and six months ended December 31, 2022 (three and six months ended December 31, 2021 - \$18,750 and \$37,500, respectively) paid to a company related to a director.

(ii) Included in business development and promotion is \$9,000 and \$18,000, respectively for the three and six months ended December 31, 2022 (three and six months ended December 31, 2021 - \$9,000 and \$18,000, respectively) paid to a director. As at December 31, 2022, \$nil (June 30, 2022 - \$4,200) was owed to this director and this amount was included in accounts payable and accrued liabilities.

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## Sokoman Minerals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended December 31, 2022

(Expressed in Canadian Dollars)

Unaudited

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#### 9. Related party transactions (continued)

(iii) During the three and six months ended December 31, 2022, the Company incurred legal fees of \$14,908 and \$22,531, respectively (three and six months ended December 31, 2021 - \$36,094 and \$36,094, respectively) included in professional fees and share issuance costs of \$7,730 and \$7,730, respectively (three and six months ended December 31, 2021 - \$nil and \$nil, respectively) to a law firm controlled by the Corporate Secretary. As at December 31, 2022, \$25,362 (June 30, 2022 - \$7,031) was owed to this company and this amount was included in accounts payable and accrued liabilities.

(iv) Included in professional fees is \$20,733 and \$34,617, respectively (three and six months ended December 31, 2021 - \$17,760 and \$30,126, respectively) paid to Marrelli Support Services Inc. ("MSSI") for Eric Myung, an employee of MSSI, to act as the Chief Financial Officer of the Company and bookkeeping services. As at December 31, 2022, \$3,087 (June 30, 2022 - \$7,535) was owed to this company and this amount was included in accounts payable and accrued liabilities.

(b) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of directors and key management personnel of the Company, except as noted in (a) above, was as follows:

|  | Three Months<br>Ended<br>December 31,<br>2022 | Three Months<br>Ended<br>December 31,<br>2021 | Six Months<br>Ended<br>December 31,<br>2022 | Six Months<br>Ended<br>December 31,<br>2021 |
|--|---|---|---|---|
| Salaries and benefits  | \$ 27,500                                     | \$ 8,250                                      | \$ 39,875                                   | \$ 15,250                                   |
| Wages and salaries included<br>in mineral exploration expenses | 13,750  | 33,000  | 42,625                                      | 61,000                                      |
| Directors fees   | 8,400   | 5,100   | 15,600                                      | 14,100                                      |
| Share-based payments   | 31,658  | 198,331                                       | 110,157                                     | 418,705                                     |
|  | <b>\$ 81,308</b>                              | <b>\$ 244,681</b>                             | <b>\$ 208,257</b>                           | <b>\$ 509,055</b>                           |

As at December 31, 2022, \$nil (June 30, 2022 - \$16,800) was owed to key management personnel and this amount was included in accounts payable and accrued liabilities.

#### 10. Commitments

In connection with the flow-through share financing in December 2022, the Company is committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) of a total of \$4,142,752 by December 31, 2023. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

As at December 31, 2022, the Company is required to incur approximately \$4,142,000 of qualifying exploration expenditures by December 31, 2023.