SANDFIRE RESOURCES AMERICA INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(in Canadian dollars)

(UNAUDITED)

FOR THE THREE AND NINE MONTHS ENDED

March 31, 2023 AND 2022

SANDFIRE RESOURCES AMERICA INC.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying interim condensed consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

May 19, 2023

SANDFIRE RESOURCES AMERICA INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2023 and JUNE 30, 2022
(Unaudited - Expressed in Canadian Dollars)

		March 31, 2023		**June 30, 2022**
ASSETS				
Current				
Cash and cash equivalents	$	300,008	$	94,535
Prepaid expenses and other assets		511,270		520,833
		811,278		615,368
Non-current				
Property, plant, and equipment (Note 6)		11,005,220		10,464,040
Resource properties (Note 8)		8,889,375		8,281,173
Right of use assets (Note 7)		91,837		113,827
Reclamation bond (Note 8)		598,476		570,776
Prepaid mining property tax (Note 8)		589,781		562,484
		21,174,689		19,992,300
Total assets	$	21,985,967	$	20,607,668
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 9)	$	515,450	$	1,726,675
Lease liabilities – current portion (Note 7)		16,563		43,017
Interest payable – related party (Note 11)		666,801		123,778
Loans payable – related party, net of discount (Note 11)		24,912,457		13,990,105
		26,111,271		15,883,575
Long-term				
Lease liabilities (Note 7)		68,913		67,730
Accrued reclamation and remediation (Note 10)		2,466,567		2,294,959
Total liabilities		28,646,751		18,246,264
SHAREHOLDERS' EQUITY (DEFICIT)				
Share capital (Note 12)		142,514,456		141,927,963
Share-based payment reserve (Note 13)		8,336,335		8,218,446
Foreign currency reserve		63,390		6,416
Accumulated deficit		(157,574,965)		(147,791,421)
Total shareholders' equity (deficit)		(6,660,784)		2,361,404
Total shareholders' equity (deficit) and liabilities	$	21,985,967	$	20,607,668

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 16)

Approved by the Board on May 19, 2023

"Robert Scargill"	*"Matt Fitzgerald"*
Director	Director

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

SANDFIRE RESOURCES AMERICA INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2023 AND 2022
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	**2022**	**2023**	**2022**
EXPENSES				
Director fees and senior executive management salary (Note 14)	$ 82,750	$ 90,635	$ 251,347	$ 322,458
Depreciation (Notes 6, 7)	57,756	62,867	182,257	195,098
Exploration and evaluation costs	362,659	5,806,398	5,477,548	13,595,265
Foreign exchange loss (gain)	(666)	5,087	7,703	2,039
Office, administration and miscellaneous	188,715	163,275	287,219	604,280
Professional fees	787,253	138,777	1,042,214	623,791
Share-based payments (Note 13)	34,494	59,641	117,889	73,561
Loss from operations	(1,512,961)	(6,326,680)	(7,366,177)	(15,416,492)
OTHER ITEMS				
Interest income	-	3,363	-	6,695
Interest expense (Note 11)	(568,009)	(86,527)	(2,357,635)	(196,144)
Accretion (Note 10)	(19,842)	(28)	(59,732)	(41,302)
Loss before income tax	(2,100,812)	(6,409,872)	(9,783,544)	(15,647,243)
Income tax provision	-	-	-	-
Net loss for the period	(2,100,812)	(6,409,872)	(9,783,544)	(15,647,243)
Other comprehensive income gain (loss)				
Foreign currency reserve gain (loss)	49,659	(83,408)	56,974	219,867
Net other comprehensive income (loss)	49,659	(83,408)	56,974	219,867
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	$(2,051,153)	$ (6,493,280)	$(9,726,570)	$(15,427,376)
BASIC AND DILUTED LOSS PER SHARE	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.02)
Weighted average number of shares outstanding	**1,023,352,794**	**1,023,352,794**	**1,023,352,794**	**1,023,296,017**

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

SANDFIRE RESOURCES AMERICA INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
FOR THE NINE MONTHS ENDED MARCH 31, 2023 AND 2022
(Unaudited – Expressed in Canadian Dollars)

	Share Capital					
	Number of Shares	Amount $	Share-based Payment Reserve $	Foreign Currency Reserve $	Accumulated Deficit $	Total $
Balance at July 1, 2021	1,023,252,794	140,073,275	8,007,572	(382,441)	(128,821,336)	18,877,070
Loss for the period	-	-	-	-	(15,647,243)	(15,647,243)
Other comprehensive loss	-	-	-	219,867	-	219,867
Shares issued on exercise of options	100,000	11,374	(5,374)	-	-	6,000
Share-based payments	-	-	73,561	-	-	73,561
Balance at March 31, 2022	1,023,352,794	140,084,649	8,075,759	(162,574)	(144,468,579)	3,529,255
Balance at July 1, 2022	1,023,352,794	141,927,963	8,218,446	6,416	(147,791,421)	2,361,404
Loss for the period	-	-	-	-	(9,783,544)	(9,783,544)
Other comprehensive loss	-	-	-	56,974	-	56,974
Contribution by parent associated with loan (Note 11)	-	586,493	-	-	-	-
Share-based payments (Note 13)	-	-	117,889	-	-	-
Balance at March 31, 2023	1,023,352,794	142,514,456	8,336,335	63,390	(157,574,965)	(6,660,784)

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

SANDFIRE RESOURCES AMERICA INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2023 AND 2022
(Unaudited - Expressed in Canadian Dollars)

		2023		2022
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	$	(9,783,544)	$	(15,647,243)
Items not involving cash:				
Depreciation (Notes 6 and 7)		182,257		195,098
Accretion of accrued reclamation and remediation (Note 10)		59,732		41,302
Accretion of interest on lease liabilities (Note 7)		3,652		4,947
Accretion of interest on loan payable – related party (Note 11)		1,529,513		-
Share-based payments (Note 13)		117,889		73,561
		(7,890,501)		(15,332,335)
Changes in operating assets and liabilities				
Prepaid expenses and other assets		9,563		(22,916)
Prepaid mining property tax (Note 7)		-		(3,438)
Accounts payable and accrued liabilities		(1,211,225)		1,917,625
Accrued interest payable – related party		810,393		-
Interest paid		(267,370)		(191,196)
Cash used in operating activities		(8,549,140)		(13,632,260)
INVESTING ACTIVITIES				
Purchase of property, plant, and equipment (Note 6)		(189,653)		(408,775)
Refund (deposit) of reclamation bond (Note 8), net		-		(313,148)
Acquisition of resource properties (Note 8)		(211,541)		(312,340)
Cash used in investing activities		(401,194)		(1,034,263)
FINANCING ACTIVITIES				
Payments on leases (Note 7)		(36,858)		(42,392)
Proceeds from loan payable – related party (Note 11)		9,232,862		13,106,855
Proceeds from exercised of stock option		-		6,000
Cash provided by financing activities		9,196,004		13,070,463
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		245,670		(1,596,060)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(40,197)		292,815
Cash and cash equivalents, beginning of period		94,535		4,164,711
Cash and cash equivalents, end of period	**$**	**300,008**	**$**	**2,861,466**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Sandfire Resources America Inc. (the “Company”) (TSX.V SFR.V) was incorporated on July 30, 1998 under the laws of British Columbia and is a mining exploration and development company. The Company is an 86.9% subsidiary of Sandfire Resources Ltd., a public company in Australia. The address of the Company’s corporate and head office is 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5, Canada. The Company’s stock symbol is "SFR.V" on the TSX Venture Exchange and “SRAFF” on the U.S. OTC Market.

During the nine months ended March 31, 2023, the Company incurred a net loss of $9,783,544 the Company’s cash and cash equivalents was $300,008, and working capital was negative $25.3 million. The Company filed the Black Butte Copper Project Technical Report on December 10, 2020. During the year ended June 30, 2022 and during the nine months ended March 31, 2023, Tintina Montana Inc. (“TMI”) and the Company as guarantor, entered into various Bridge Loan Agreements, denominated in USD with Sandfire Resources Ltd (parent) for short-term funding of day-to-day operations. The Company will have to raise additional funds to meet planned 2023/24 drilling expenses and future work plans.

A final Environmental Impact Statement (EIS) was issued on March 13, 2020 by the Montana Department of Environmental Quality (“MT DEQ”) which was followed by a DEQ positive record of decision following on April 9, 2020 which will allow development and underground mining of the Johnny Lee deposit at the Black Butte Copper Project to proceed. On August 14, 2020, the MT DEQ issued a final approval for the Phase I Bonding for the underground Black Butte Copper project (the “Project). The MT DEQ has approved the bond posting and has issued a Final Mine Operating Permit allowing the Company the right to commence Phase I Development surface construction at the mine site. The Company is yet to achieve profitability and has incurred significant losses and negative cash flows from operations. The Company has concluded that the working capital as held at March 31, 2023 is insufficient to fund all committed and non-discretionary expenditures for at least the next twelve months. Unless additional funds are raised, the Company may have insufficient funds to realize its assets and discharge its liabilities in the normal course of business.

In November 2022, the Company received the necessary permits to divert groundwater for use in the mining of the Johnny Lee copper deposit and to store high-water flows for stream flow maintenance. The DNRC also approved the Company’s change applications to use six existing water rights to mitigate surface water flow reductions resulting from the groundwater diversion. Water right permits and change applications are issued by the DNRC in accordance with the Montana Water Use Act. The ability of the Company to obtain necessary financing to commence the full development and construction is not certain.

The conditions described above indicate the existence of material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The Company plans to address this uncertainty by raising additional funds in the capital markets or through debt financing in fiscal year 2023. Many factors influence the Company’s ability to raise funds, and there is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital. These financial statements do not contain any adjustments to the amounts that may be required should the Company be unable to continue as a going concern. Such adjustments could be material.

Since March 2020, several governmental measures have been implemented in the United States, where the Company’s operations are located and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company’s

1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position, and cash flows into 2023. The Company continues to operate its business, and in response to US Federal and State and Canadian Federal and Provincial emergency measures, has requested its employees and consultants work remotely if exposed to COVID-19 or showing symptomatic signs of COVID-19. Though certain restrictions have been lifted during the year, these government measures, which could include government mandated closures of the Company or its contractors, could impact the Company's ability to conduct its planned programs in a timely manner.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, has been omitted or condensed. Accounting policies applied are consistent with those of the annual June 30, 2022 consolidated financial statements.

b) Basis of preparation

These consolidated financial statements have been prepared under the historical cost basis.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned US subsidiary, Tintina Montana Inc., which was incorporated in the United States. TMI wholly owns the Black Butte copper underground project. All intercompany balances and transactions have been eliminated on consolidation. The Company consolidates subsidiaries where it has the ability to exercise control. Control of an investee is defined to exist when the investor is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Particularly, the Company controls investees, if and only if, the Company has all of the following: power over the investee; exposure, or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements involves the use of judgments and estimates and from assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually reviewed and evaluated. Estimates are inherently uncertain and actual results may differ from the amounts included in the financial statements. Revisions to the estimates and assumptions are recognized in the period in which the estimates are revised and in future periods.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Impairment of resource properties

Determining if there are any facts and circumstances indicating impairment loss on resource properties is a subjective process involving judgment and a number of estimates and interpretations in many cases. Determining whether to test for impairment of resource properties requires management's judgment, among others, regarding the following:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

Impairment assessments for resource properties require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, and resources. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets. In such circumstances, some or all of the carrying amount of the assets may be further impaired or the impairment charge reduced with the impact recognized in the consolidated statement of operations and other comprehensive income.

These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses could differ in such a situation and significant adjustments to the Company's earnings may occur in future periods.

Impairment of PPE:

Determining if there are any facts and circumstances indicating impairment loss on PPE is a subjective process involving judgment and a number of estimates and interpretations in many cases. Impairment exists when the carrying value of PPE exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses could differ in such a situation and significant adjustments to the Company's earnings may occur in future periods.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Determination of technical feasibility and commercial viability of extracting a resource property

The application of the Company's accounting policy for exploration and evaluation assets requires determining when technical feasibility and commercial viability have been demonstrated involves significant judgement, particularly in relation to projects where feasibility assessment may be ongoing over an extended period of time.

In making this determination, management assesses whether a final investment decision has been approved by the Company's board of directors which is an indication that technical feasibility and commercial viability of a project. Absent this approval, other factors are considered, such as the booking of significant quantities of commercial reserves, approval of budgeted expenditure to commence commercial development activities or the actual commencement of expenditure on development activities. As at March 31, 2023, the Company has determined that they are in the exploration and evaluation stage as they are awaiting the resolution of the legal challenge against the MT DEQ decision to issue the ROD for the approval of the mine and the objections to the water permit application as discussed below.

Accrual of reclamation and remediation costs

In determining accrued reclamation and remediation costs, the calculation of discounted cash flows includes various factors that require estimates and judgments including the extent and costs of reclamation and remediation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. The accrued reclamation and remediation costs are subsequently accreted to its full value over time through charges to the Consolidated Statements of Loss and Comprehensive Loss. The ultimate magnitude of these costs is uncertain, and cost estimates can vary in response to many factors including changes to the relevant legal requirements, whether closure plans achieve intended reclamation goals, and the emergence of new restoration techniques or experience. The expected timing of expenditures can also change. As a result, there could be significant adjustments to the provision for rehabilitations, which would affect future financial results.

4. NEW AND AMENDED ACCOUNTING STANDARDS

New accounting standard effective for annual periods on July 1, 2022:

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to International Accounting Standards Board ("IAS") 16: The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PPE), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. This amendment became effective for the Company on July 1, 2022 and did not have any impact on the Company's consolidated financial statements.

4. NEW AND AMENDED ACCOUNTING STANDARDS (Continued)

Reference to the Conceptual Framework – Amendments to IFRS 3: The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. This amendment became effective for the Company on July 1, 2022 and did not have any impact on the Company's consolidated financial statements.

5. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective. New accounting standard effective for annual periods on or after July 1, 2022:

Classification of Liabilities as Current or Non-current - Amendments to IAS 1: The amendments specify the requirements for classifying liabilities as current or non-current. The amendment clarify 1) what is meant by the right to defer settlement; 2) that a right to defer must exist at the end of the reporting periods; 3) that classification is unaffected by the likelihood that an entity will exercise its deferral right; and 4) that only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification. These amendments are effective for the Company on July 1, 2023. The Company does not believe that adoption of this standard would have a significant impact on its financial statements.

Definition of Accounting Estimates - Amendments to IAS 8: The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The Company will apply these provisions prospectively beginning July 1, 2023 as permitted by the amendment. The Company does not believe that adoption of this standard would have a significant impact on its financial statements.

(Unaudited - Expressed in Canadian Dollars)

6. PROPERTY, PLANT, AND EQUIPMENT

Cost	Equipment	Vehicle	Buildings	Leasehold Improve-ments	Assets Under Construction	Land	Total
Opening balances as of June 30, 2021	$344,290	$259,727	$1,335,392	$244,238	$8,365,397	$267,211	$10,816,255
Additions	77,138	130,484	40,383	-	170,433	1,004,009	1,422,447
Disposals	(102,102)	-	-	-	-	-	(102,102)
Recission of land purchase	-	-	-	-	-	(1,107,139)	(1,107,139)
Revaluation of reclamation and remediation asset	-	-	-	-	(236,868)	-	(236,868)
Transfers	-	-	74,128	-	(111,701)	37,573	-
Currency translations	9,130	9,787	50,325	9,204	315,034	10,071	403,551
As of June 30, 2022	328,456	399,998	1,500,228	253,442	8,502,295	211,725	11,196,144
Additions	-	-	-	-	186,653	-	186,653
Transfers	-	-	168,394	-	(168,394)	-	-
Currency translations	15,940	19,412	72,804	12,300	412,608	10,274	543,338
As of March 31, 2023	344,396	419,410	1,741,426	265,742	8,936,162	221,999	11,929,135
Accumulated Depreciation							
Opening balances as of June 30, 2021	$178,289	$113,930	$265,350	$96,700	$ -	$ -	$654,269
Additions	23,012	45,032	67,495	21,034	-	-	156,573
Disposals	(102,102)	-	-	-	-	-	(102,102)
Currency translations	3,283	5,094	10,968	4,019	-	-	23,364
As of June 30, 2022	102,482	164,056	343,813	121,753	-	-	732,104
Additions	25,614	44,561	64,072	20,727	-	-	154,974
Currency translations	5,189	8,338	17,226	6,084	-	-	36,837
As of March 31, 2023	133,285	216,955	425,111	148,564	-	-	923,915
Net book value							
As of June 30, 2022	$225,974	$235,942	$1,156,415	$131,689	$8,502,295	$211,725	$10,464,040
As of March 31, 2023	$211,111	$202,455	$1,316,315	$117,178	$8,936,162	$221,999	$11,005,220

(Unaudited - Expressed in Canadian Dollars)

6. PROPERTY, PLANT, AND EQUIPMENT (Continued)

At March 31, 2023, assets under construction consist of roads, pit, land improvements, fencing, and reclamation and remediation asset. These assets will be placed in service once mining and milling of the property begins.

7. RIGHT TO USE ASSETS AND LEASE LIABILITIES

The Company has lease contracts for various offices, houses, and vehicles. It does not have any subleases. As at March 31, 2023, lease liabilities have a remaining lease term of five years and were determined using an effective interest rate of 5%. The undiscounted cash-flows over the remaining lease term are approximately five years.

Right to Use Assets	**Office Building**	**Houses**	**Total**
As of June 30, 2021	$ 119,031	$ 36,262	$155,293
Depreciation	(21,856)	(24,652)	(46,508)
Currency translations	4,113	929	5,042
As of June 30, 2022	101,288	12,539	113,827
Depreciation	(14,243)	(13,040)	(27,283)
Currency translations	4,792	501	5,293
As of March 31, 2023	$ 91,837	$ -	$ 91,837

Lease Liabilities			
As of June 30, 2021	$115,970	$37,243	$153,213
Payments	(25,147)	(25,835)	(50,982)
Interest expense	3,007	579	3,586
Currency translations	3,978	952	4,930
As of June 30, 2022	97,808	12,939	110,747
Payments	(23,207)	(13,651)	(36,858)
Interest expense	3,455	197	3,652
Currency translations	7,420	515	7,935
As of March 31, 2023	85,476	-	85,476
Less current portion	(16,563)	-	(16,563)
Long-term portion	$ 68,913	$ -	$ 68,913

At March 31, 2023, the total of future minimum lease payments under the leases are as follows:

$19,434	From April 1, 2023 to March 31, 2024
58,303	From April 1, 2024 to March 31, 2027
19,434	From April 1, 2027 to January 1, 2028
97,171	Total

(Unaudited - Expressed in Canadian Dollars)

8. RESOURCE PROPERTIES AND EXPLORATION AND EVALUATION COSTS

Additions to resource properties during the three and nine months ended March 31, 2023 and 2022 were as follows:

	For the three months ended March 31,		For the nine months ended March 31	
	2023	**2022**	**2023**	**2022**
Beginning balance	$ 8,923,242	$ 7,382,777	$ 8,281,173	$ 6,974,172
Acquisition costs for the period	-	44,876	211,541	312,340
Currency translation	(33,867)	(100,922)	396,661	40,219
Ending balance	$ 8,889,375	$ 7,326,731	$ 8,889,375	$ 7,326,731

i) Black Butte Copper 2010 Leases

On May 2, 2010, the Company, through its wholly-owned subsidiary, TMI, entered into mining lease agreements and a surface use agreement (collectively, the “Black Butte Agreements”) with the owners of the Black Butte copper-cobalt-silver property in central Montana, United States. This portion of the Black Butte property consists of approximately 7,684 acres of fee-simple lands and 4,541 acres in 239 Federal unpatented lode mining claims in central Montana.

The Black Butte Agreements, as amended, provide the Company, through TMI, with exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by the Company for additional periods of 10 years by giving prior notice within the time specified in the agreements. The Black Butte Agreements also provide for surface lease payments and advance minimum royalty payments to be paid to the lessors, in total of approximately US$12,400,000 (US$4,644,850 paid as of March 31, 2023) in cash and a Net Smelter Returns (“NSR”) royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% NSR to 2% by making payments to the lessors in total of US$10,000,000.

On December 11, 2020, per Black Butte Agreements, the Company gave the owners notification to exercise a purchase option in the agreement on the basis that they had finalized the technical report. At each owner’s sole option, by June 12, 2021, they could elect to transfer title to all or part of their interest of the mine property to the Company who had to accept. An owner opted not to sell requiring the Company to begin paying the owner US$4,293 annually over the next twenty years beginning in June 2021.

Separately, the Company has an agreement with another property owner, Bar Z Ranch, Inc. (“Bar Z”) whereby the Company paid an additional US$80,123 in both 2021 and 2022 to maintain an option to purchase the owner’s property rights for US$700,000 before July 1, 2023. During the nine months ended March 31, 2023, there were $Nil (2022: $Nil) paid on this lease.

ii) Black Butte Copper 2011 Leases

In June 2011, the Company, through its subsidiary, staked an additional 286 claims on federal lands and entered into mining lease agreements. The additional mining lease agreements were entered under similar terms as the Black Butte Agreements as described above. The Company was granted the sole and exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by the Company for additional periods of 10 years by giving prior notice within the time specified in the agreements. The additional Black Butte Agreements provide for prior to commercial production, advance minimum royalty

8. RESOURCE PROPERTIES AND EXPLORATION AND EVALUATION COSTS (Continued)

payments to be paid to the lessors, in total of US$1,250,000 in cash (US$330,000 paid as of March 31, 2023) and a NSR royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% NSR to 2% by making payments to the lessors in total of US$5,000,000. During the nine months ended March 31, 2023, there were $Nil (2022: $Nil) paid on this lease.

iii) Lease and Water Use Agreement

On October 15, 2015, the Company, through TMI, entered into a Lease and Water Use Agreement to lease the water rights to certain locations in Meagher County, Montana for a term of 30 years. The Company shall pay the owner the sum of US$20,000 per year, increasing to US$100,000 year upon actual mining and production of minerals at the Black Butte Copper property. The Company can terminate the lease and water use agreement at its option. During the nine months ended March 31, 2023 and 2022, the Company paid CAD$27,675 (US$20,000) and CAD$25,387 (US$20,000), respectively, in accordance with the terms of this agreement.

iv) Mining Lease Agreement

On September 13, 2017, the Company, through TMI, entered into a Mining Lease Agreement for the purpose of mineral exploration and mining in certain lands located in Meagher County, Montana for an initial term of 30 years. In consideration, the Company shall pay the owner an advance minimum royalty payment, in total of US$555,000 in cash (US$30,000 paid as of March 31, 2023), and a NSR royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% royalty to 2% in return for a payment of US$5,000,000 divided pro rata among the mineral owners, and an option to renew the lease for five years. The Company can terminate the mining lease agreement at its option. During the nine months ended March 31, 2023, there were CAD $6.545 and (2022: CAD $,6332) paid on this lease.

v) Reclamation Bond

The Company had reclamation bonds of $598,476 and $570,776 held with MT DEQ as at March 31, 2023 and June 30, 2022, respectively.

vi) Prepaid Mining Property Tax

During the year ended June 30, 2021, the Company was required per its August 2018 Hard Rock Mining Impact Plan (HRMIP) to make mine property tax prepayment of $593,987 ($437,000 USD) to cover the immediate impacts for the City of White Sulphur Springs and Meagher County resulting from the planned development of the Black Butte Project. The prepayment will be credited against future property taxes due once the resource taxable assets are constructed and added to the Meagher County property tax lists of taxable assets for the Company. The prepaid mining property tax balance at March 31, 2023 and June 30, 2022 is $589,781 and $562,484, respectively.

(Unaudited - Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company had the following accounts payables and accrued liabilities at March 31, 2023 and June 30, 2022.

		March 31, 2023		**June 30, 2022**
Trade payables	$	154,252	$	806,596
Accrued liabilities and other		105,013		758,613
Accrued salaries and payroll		256,185		285,244
	$	515,450	$	1,850,453

10. ACCRUED RECLAMATION AND REMEDIATION

Activity in the related accrued reclamation and remediation balance for the three and nine months ended March 31, 2023 and 2022 is as follows:

		For the three months ended March 31,				**For the nine months ended March 31**		
		2023		**2022**		**2023**		**2022**
Balance, beginning of period	$	2,456,087	$	2,488,025	$	2,294,959	$	2,397,912
Accretion		19,842		1,412		59,732		41,302
Currency translation		(9,362)		(35,422)		111,876		14,801
Balance, end of period	$	2,466,567	$	2,454,015	$	2,466,567	$	2,454,015

11. LOANS PAYABLE – RELATED PARTY

During the year end June 30, 2022 and through the nine months ended March 31, 2023, TMI and the Company as guarantor, entered into various Bridge Loan Agreements with Sandfire Resources Ltd (parent) for short-term funding of day to day operations up to an aggregate of US$30.0 million. The Bridge Loan Agreement, as amended, specify that repayment of the loans was initially the earlier of (i) July 30, 2023 or (ii) 7 days after Sandfire Resources America Inc. completes either a debt or equity financing with gross proceeds of at least US$30 million. To date, US$18.9 (CAD$24.5) million has been borrowed.

Interest on the loans is set at 5% per annum and interest is payable on the last day of each calendar month. The stated interest rate of the Bridge Loan was below the market rate for similar loan instruments. For accounting purposes at the date of each advance, we discount the expected payments using a risk-adjusted discount rate and an estimated repayment date. Rates of 13.15% to 16.93% were used for the loans received during the nine months ended March 31, 2023 (10.0% to 10.6% for the year ended June 30, 2022). Amounts received in excess of fair value on the date of the advances were credited to Share Capital representing an increase in contribution by Sandfire Resources Ltd.

(Unaudited - Expressed in Canadian Dollars)

11. LOANS PAYABLE – RELATED PARTY (Continued)

A summary of the activity for the nine months ended March 31, 2023 and for the year ended June 30, 2022 is as follows:

		Nine months ended March 31, 2023		Year ended June 30, 2022
Balance, beginning of period	$	13,990,105	$	-
Additions		9,232,862		15,279,907
Discount due to below-market interest rate, net impact of repayment		(586,493)		(1,843,314)
Accretion of discount		1,529,513		387,623
Currency translation		746,470		165,889
Balance, end of period	$	24,912,457	$	13,990,105

	For the three months ended March 31,			
		2023		2022
Interest expense (including accretion of discount)	$	888,200	$	191,196

	For the nine months ended March 31,			
		2023		2022
Interest expense (including accretion of discount)	$	2,353,867	$	357,176

		As at March 31, 2023		As at June 30, 2022
Accrued interest payable	$	666,801	$	123,778

12. SHARE CAPITAL

a) Authorized: The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding at March 31, 2023: 1,023,352,794 (June 30, 2022: 1,023,352,794) common shares.

See Consolidated Statements of Changes in Equity for details.

13. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS

On November 1, 2021, the Company established an Omnibus Share Incentive Plan (the “Plan”) for certain qualified directors, executives, officers, employees, and consultants. The Plan includes options that were issued under the Company’s former stock option plan. Shares delivered under the Plan will generally be from authorized but unissued shares of the Company. The Plan reserves for issuance up to 2.5% of the issued and outstanding share capital of the Company from time to time with the maximum number of shares reserved cannot exceed 102,325,279 shares. Options granted under the Plan are for a term not to exceed 10 years from the date of their grant.

(Unaudited - Expressed in Canadian Dollars)

13. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS (Continued)

The Plan allows for awards in the following forms: stock purchase option, restricted share unit, performance share unit or deferred share unit. Options granted under the Plan entitle the recipient to acquire a designed number of shares at a stated exercise price and typically vest over a period specified in the option agreement. DSUs are granted for services rendered, or for future services to be rendered, that typically vest upon issuance. Settlement of DSUs is the date of the recipient's resignation or termination of employment, retirement, or death. To date, no DSUs have been awarded under the Plan. RSUs and PSUs are granted for services rendered, or for future services to be rendered, that vest based on the passage of time during continued employment or other service relationship over a period of determined by the board of directors.

Restricted Share Units ("RSUs"): In December 2021,the Company awarded 1,657,824 RSUs that had a grant date fair value based upon the shares price of the Company's common stock of $0.19 per RSU or $314,987 in total. During the three and nine months ended March 31, 2023, the Company has recognized $19,122 ($2022: $17,388) and $72,933 (2022: $73,561) in compensation expense related to RSUs and expects to record an additional $61,018 in compensation expense over the next 1.25 years. No RSUs were granted during the three and nine months ended March 31, 2023. During the three and nine months ended March 31, 2023, nil and 78,945 RSUs were forfeited, respectively. At March 31, 2023, 526,293 RSUs are vested. The unvested units at March 31, 2023 are scheduled to vest as follows:

During the year ended:	
June 30, 2023	526,293
June 30, 2024	526,293
	1,052,586

Performance Share Units ("PSUs"): In December 2021, the Company awarded 1,105,216 PSUs that had a weighted average grant date fair value of $0.19 per RSU or $209,991 in total. These PSUs vest upon completion of the performance period (through 2024) and specific performance conditions set forth for each individual grant for individually defined reporting and operating measurement objectives. The Company determines the factor to be applied to that target number of PSUs, with such percentage based on level of achievement of the performance conditions. Upon the achievement of the conditions, any unvested PSUs become fully vested.

During the three and nine months ended March 31, 2023, the Company has recognized $15,372 (2022: $14,098) and $44,956 (2021: $17,388) and expects to record an additional $71,364 in compensation expense over the next 1.25 years. No PSUs were granted during the three and nine months ended March 31, 2023. During the three and nine months ended March 31, 2023, nil and 52,629 PSUs were forfeited, respectively. At March 31, 2023, 70,172 PSUs are vested. The unvested units at June 30, 2022 are scheduled to vest as follows assuming milestones are reached during the year ended June 30, 2024:

During the year ended:	
June 30, 2023	70,172
June 30, 2024	912,243
	982,415

(Unaudited - Expressed in Canadian Dollars)

13. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS (Continued)

Stock options. No options were granted, expired, nor exericsed during the nine months ended March 31, 2023 and 2022 and no stock based compensation associated with options was recognized during the three and nine months ended March 31, 2023 and 2022. The following table summarizes stock options outstanding and exercisable at March 31, 2023:

Exercise Price ($)	Number of Options Outstanding and Exercisable	Weighted Average Remaining Contractual Life (years)
0.11	1,250,000	0.25

14. RELATED PARTY TRANSACTIONS AND BALANCES

The following key management personnel compensation and related party transactions took place during the three and nine months ended March 31, 2023 and 2022:

	For the three months ended March 31,		For the nine months ended March 31,	
	2023	2022	2023	2022
Short-term benefits	$ 73,750	$ 81,635	$ 224,347	$ 295,458
Exploration and evaluation costs(1)	148,857	251,408	694,920	705,473
Share-based compensation	34,494	59,641	117,889	73,561
Total remuneration	$ 257,101	$ 392,684	$ 1,037,156	$ 1,074,492

(1) Exploration and evaluation costs relates to short-term benefits paid to key management personnel whos primary function is exploration and evaluation, or whos function has been substantially allocated to exploration and evaluation activities.

The remuneration of directors and other members of key management, which includes director and management fees as well as salary and wages, is included in short-term benefits and share-based payments.

At March 31, 2023 and June 30, 2022, the Company has an account payable to Sandfire Resources Ltd. of $3,666 and $3,555, respectively. See Note 11 for information about the Company's loans payable to Sandfire Resources Ltd (parent). In addition, at March 31, 2023 and June 30, 2022, the Company was owed $291,237 and $277,575, respectively, from MATSA, a wholly owned subsidiary of Sandfire Resources Ltd. The amount owed related to a management services agreement between MATSA and the Company, allowing the secondment of key management from the Company to MATSA.

(Unaudited - Expressed in Canadian Dollars)

15. SEGMENT INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration, and development of resource properties. The resource properties are located in the State of Montana in the United States.

		Canada		United States		Total
As at March 31, 2023						
Other assets	$	86,030	$	13,010,562	$	13,096,592
Resource properties		-		8,889,375		8,889,375
Total Assets	$	86,030	$	21,899,937	$	21,985,967
Total Liabilities	$	21,253	$	28,625,498	$	28,646,751
As at June 30, 2022						
Other assets	$	50,551	$	12,275,944	$	12,326,495
Resource properties		-		8,281,173		8,281,173
Total Assets	$	50,551	$	20,557,117	$	20,607,668
Total Liabilities	$	125,136	$	18,121,128	$	18,246,264
Loss before income tax for three months ended March 31, 2023	$	(134,522)	$	(1,966,290)	$	(2,100,812)
Loss before income tax for three months ended March 31, 2022	$	(279,252)	$	(6,130,620)	$	(6,409,872)
Loss before income tax for the nine months ended March 31, 2023	$	(525,154)	$	(9,258,390)	$	(9,783,544)
Loss before income tax for the nine months ended March 31, 2022	$	(844,512)	$	(14,802,731)	$	(15,647,243)

(Unaudited - Expressed in Canadian Dollars)

16. COMMITMENTS AND CONTINGENCIES

Lease commitments

The Company's resource properties are subject to future lease payments. The Company has future lease payments for the Black Butte Copper 2010 and 2011 leases, as well as the lease for the water use agreement and mining lease (Note 8). The aggregate annual payments for the Company's three mineral lease agreements and water agreement are due as follows:

	As of March 31, 2023	
	USD	CAD
Through June 30,	$	$
Remainder of 2023	503,895	680,064
2024	513,895	693,560
2025	513,895	693,560
2026	523,895	707,056
2027	552,389	707,056
Thereafter	7,295,635	9,846,291
Total	9,875,110	13,327,587

Permit

On June 4, 2020, a legal challenge to the MT DEQ's Record of Decision was lodged in the 14th Judicial Court in Meagher County, Montana against the MT DEQ and TMI by four groups who oppose resource development in Montana. Through 2020 and 2021 all sides issued numerous legal filings resulting in an Administrative Record of approximately 90,000 pages. On July 16, 2021, District Court Judge Bidegaray heard oral arguments for summary judgement from plaintiffs and defendants regarding a legal complaint filed on June 4, 2020 by the plaintiffs claiming to represent the environmental community. The suit was filed jointly against the MT DEQ and TMI. On April 8, 2022, Judge Bidegaray ruled in favor of the plaintiffs. The Company and plaintiffs supplied recommendations for remedies for her ruling to the judge in early June 2022, followed by filing of a joint recommendation for remedies on July 1, 2022. On July 5, 2022, the District Court issued an order on remedies that will allow Phase I Construction of the Black Butte Copper Project to be completed under the existing permit and vacate the remainder of the permit with remand to the MT DEQ for further review. On July 28, 2022, The Company and the MT DEQ filed a notice of appeal of the District Courts final order to Montana Supreme Court. On November 2, 2022, the Company filed an initial brief to the Montana Supreme Court. After reviewing this and subsequent briefs from the Company and the Plaintiff, the Montana Supreme Court has ordered oral arguments from both parties on June 21, 2023. The Company expects a final ruling by the end of 2023. The court will remand any unresolved issues to the Montana DEQ for further evaluation after which the Company expects a final revised Mine Operating Permit.

The legal challenge does not prohibit further Phase I development activities, but delays startup of Phase II construction continues. These and any future legal challenges could have a material adverse effect on the Company, including that they may ultimately preclude construction of a mine at the Black Butte Copper Project.

16. COMMITMENTS AND CONTINGENCIES (Continued)

Water rights

The Company currently has a lease arrangement with two local ranches to lease sufficient water rights to allow mining and processing operations to proceed. The leased water rights must be modified through an administrative proceeding with the MT DNRC to be used to mitigate the beneficial use of water pumped out of the Black Butte operations for mineral processing. This administrative proceeding determines if the modifications meet the statutory criteria. Once the MT DNRC approves the modifications, the agency's decision is subject to objection and appeal by affected parties.

The Black Butte Copper Project, operated by TMI proposed underground copper mine is located in the Smith River watershed which is 'closed' to filing of any additional water rights appropriations. For use of water from the mine, other water use must be retired to make the needed water volumes available for the mine. In September 2018, the water rights owners who lease water to the Black Butte Copper Project submitted six change applications to the Montana Department of Resources and Conservation (MT DNRC) requesting modifications of their water rights to allow them to use the water for mitigation and leasing as well as irrigation. With these, TMI jointly applied for a ground water right, contingent on the success of the change applications and mitigation plan, and a high water right which would allow TMI to capture and pond excess spring flows for mitigation use throughout the year. On March 13, 2020, the MT DNRC issued Preliminary Determinations to Grant (PDG's) for the water right changes. During the following appeal period, six parties filed objections to the PDG's -- these were the Newlan Creek Water Users Association (NCWUA); the Montana Fish Wildlife and Parks (MT FWP); and four conservation groups (Conservation Objectors) who filed a joint objection. The Conservation Objectors raised issues of legal availability, adverse effects, and adequacy of proposed diversions. They also claimed that the MT DNRC failed to recognize that mine water discharged from the mine will have been put to beneficial use and so would require additional mitigation.

After a short period of negotiations, TMI and NCWUA reached an agreement and NCWUA pulled their objection. TMI also began negotiations with MT FWP. The MT DNRC appointed a Hearings Examiner to hear the objections. On February 23, 2022, the Hearings Examiner granted a motion on behalf of the applicants for a Partial Summary Judgement that upheld the MT DNRC interpretation that direct discharge of dewatered mine water does not constitute a beneficial use of water. On March 14, 2022, the Conservation Objectors indicated that they intended to appeal the Partial Summary Judgement. Subsequent negotiations between TMI and the Conservation Objectors resulted in three fully executed agreements containing stipulations which entirely resolved all remaining issues raised by the Conservation Objectors. In addition, negotiations with MT FWP resulted in their withdrawal of their objection.

On July 26, 2022, the Hearings Examiner issued a Final Order in favor of one of the water right changes. The Hearings Examiner issued Final Orders on the remaining water rights changes on October 13, 2022 based on the negotiated agreements between the parties. On August 24, 2022, the Conservation Objectors filed their formal appeal of the Hearings Examiner's Partial Summary Judgement, including a constitutional challenge of the beneficial water use statute, which will be reviewed by district court. On May 12, 2023, the objectors filed an appeal with the Supreme Court. The appeal does not obstruct TMI's ability to enjoy their rights to use the water available to them through the revised water rights and permits.

16. COMMITMENTS AND CONTINGENCIES (Continued)

On November 1, 2022, the Company announced that the necessary permits to appropriate water for the Black Butte Copper Project have been issued by the State of Montana Department of Natural Resources and Conservation (DNRC). The permits issued by the DNRC authorize the Company to divert groundwater for use in the mining of the Johnny Lee copper deposit and to store high-water flows for stream flow maintenance. The DNRC also approved the Company's change applications to use six existing water rights to mitigate surface water flow reductions resulting from the groundwater diversion. Water right permits and change applications are issued by the DNRC in accordance with the Montana Water Use Act (Title 85, chapter 2, MCA). Issuance of the water permits by the Montana DNRC triggered an appeal by the objectors to the DNRC Hearings Examiners finding that discharge of mine water directly to the environment should not be considered having been put to beneficial use and therefore those water volumes should not require mitigation. This ongoing litigation in no way prohibits TMI's use of the water under its water permits.

17. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource properties. The Company does not have any externally imposed capital requirements to which it is subject to.

As at March 31, 2023, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash through a debt financing.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations.

Refer to Note 1 Nature of operations and going concern.

18. FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy has three levels to classify the inputs to valuation techniques used to measure fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (interest rate, yield curves), or inputs that are derived principally from or corroborated observable market data or other means.

Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

18. FINANCIAL INSTRUMENTS (Continued)

As at March 31, 2023, the carrying value of the Company's financial instruments approximates their fair value due to their short terms to maturity. With the exception of the Company's lease liabilities which are classified as Level 2, the Company's financial assets and liabilities are classified as Level 1.

Liquidity risk

The Company manages liquidity risk by maintaining an adequate cash balance. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

Interest rate risk

The Company's cash and cash equivalents are subject to interest rate price risk. The Company's interest rate risk management policy for cash and cash equivalents is to purchase highly liquid investments with a term to maturity of three months or less on the date of purchase. The Company does not engage in any hedging activity. The Company earned $nil and $nil in interest income during the three and nine months ended March 31, 2023.

Credit risk

The Company maintains substantially all of its cash with major financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

Foreign currency risk

As the Company operates on an international basis, currency risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign exchange risk arises primarily with respect to the U.S. dollar. A significant portion of the Company's cash and cash equivalents, accounts payable, and expenses are denominated in U.S. dollars. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity.

There have been no changes in the Company's objectives and policies for managing the above-mentioned risks and there has been no significant change in the Company's exposure to each risk during the three and nine months ended March 31, 2023. As at March 31, 2023, a 10% change in U.S. dollar against Canadian dollar would result in an approximately $1.0 million (March 31, 2022: $0.4 million) decrease or increase in the Company's net comprehensive loss.