



**CONDENSED INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED NOVEMBER 30, 2022  
AND 2021**

**(Unaudited - Expressed in Canadian Dollars)**

### **NOTICE OF NO AUDITOR REVIEW**

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

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

# GRANITE CREEK COPPER LTD.

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

	Note	November 30, 2022	May 31, 2022
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		126,537	949,655
Receivables		20,080	21,759
Prepaid expenses and deposits	4	72,209	267,134
		<u>218,826</u>	<u>1,238,548</u>
<b>Non-current</b>			
Reclamation bonds	5	90,300	90,300
Exploration and evaluation assets	5	8,414,696	8,361,256
		<u>8,723,822</u>	<u>9,690,104</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		377,748	375,630
Due to related parties	10(b)	586,723	674,654
Flow-through share premium liability	7	-	145,334
		<u>964,471</u>	<u>1,195,618</u>
<b>Non-current</b>			
Severance liability	8	690,656	658,429
Due to related parties	10(b)	371,383	-
		<u>2,026,510</u>	<u>1,854,047</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	18,170,708	17,940,545
Share-based payment reserve	9(f)	1,706,840	1,771,498
Foreign currency translation reserve		(3,586)	(3,586)
Deficit		(13,176,650)	(11,872,400)
		<u>6,697,312</u>	<u>7,836,057</u>
		<u>8,723,822</u>	<u>9,690,104</u>

Nature of Operations and Going Concern – Note 1  
Commitments – Note 13  
Subsequent event – Note 14

Approved on behalf of the Board:

“Timothy A. Johnson”, Director

“Michael Rowley”, Director

# GRANITE CREEK COPPER LTD.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the Three and Six Months Ended November 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

		Three months ended November 30,		Six months ended November 30,	
	Note	2022	2021	2022	2021
		\$	\$	\$	\$
<b>EXPENSES</b>					
Consulting and management fees	10(a)	73,723	63,887	132,388	121,991
Corporate advisory fees		25,474	22,147	51,266	95,948
Exploration expenditures	6,10(a)	434,383	830,505	1,233,518	3,238,527
Investor relations		40,965	131,046	74,502	163,562
Office and administration		8,486	9,660	17,028	16,956
Professional fees		16,580	16,333	31,786	28,073
Property evaluation		-	-	14,879	-
Share-based payment expense	9(f),10(a)	42,765	92,713	133,446	242,890
Transfer agent, regulatory and filing fees		20,219	8,247	26,115	11,843
Travel and accommodation		1,754	1,804	9,684	3,417
		<b>(664,349)</b>	<b>(1,176,342)</b>	<b>(1,724,612)</b>	<b>(3,923,207)</b>
<b>Other Items</b>					
Other income	7	92,221	12,643	203,756	246,125
Interest expense	6	(1,958)	(17,017)	(3,319)	(22,652)
Severance liability accretion expense	8	(16,218)	(14,743)	(32,227)	(29,299)
<b>NET (INCOME) LOSS AND COMPREHENSIVE (INCOME) LOSS</b>		<b>(590,304)</b>	<b>(1,195,459)</b>	<b>(1,556,402)</b>	<b>(3,729,033)</b>
<b>Basic and diluted loss per share</b>					
Basic		<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.02)</b>
Diluted		<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.02)</b>
<b>Weighted average number of shares outstanding</b>					
Basic		<b>137,688,866</b>	121,997,657	<b>136,549,077</b>	121,657,300
Diluted		<b>137,688,866</b>	121,997,657	<b>136,549,077</b>	121,657,300

# GRANITE CREEK COPPER LTD.

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

	Note	Common Shares number	Share Capital \$	Share-based Payments Reserve \$	Foreign Currency Translation Reserve \$	Deficit \$	Total \$
<b>Balance, May 31, 2021</b>		<b>121,504,800</b>	<b>15,832,383</b>	<b>1,451,736</b>	<b>(3,586)</b>	<b>(7,309,495)</b>	<b>9,971,038</b>
Shares issued on exercise of warrants	9(b)	1,560,033	268,257	-	-	-	268,257
Share-based payment expense	9(f)	-	-	242,890	-	-	242,890
Re-class of expired options	9(f)	-	-	(57)	-	57	-
Net loss and comprehensive loss		-	-	-	-	(3,729,033)	(3,729,033)
<b>Balance, November 30, 2021</b>		<b>123,064,833</b>	<b>16,100,640</b>	<b>1,694,569</b>	<b>(3,586)</b>	<b>(11,038,471)</b>	<b>6,753,152</b>
Private placements, net of issue costs		8,333,337	1,378,622	20,039	-	-	1,398,661
Flow-through share premium liability		-	(208,333)	-	-	-	(208,333)
Shares issued for debt		344,648	49,974	-	-	-	49,974
Shares issued on exercise of options		442,017	106,581	(51,581)	-	-	55,000
Shares issued on exercise of warrants		3,225,973	513,061	(72)	-	-	512,989
Share-based payment expense		-	-	173,026	-	-	173,026
Re-class of expired options and warrants		-	-	(64,483)	-	64,483	-
Net loss and comprehensive loss		-	-	-	-	(898,412)	(898,412)
<b>Balance, May 31, 2022</b>		<b>135,410,808</b>	<b>17,940,545</b>	<b>1,771,498</b>	<b>(3,586)</b>	<b>(11,872,400)</b>	<b>7,836,057</b>
Private placements, net of issue costs		2,941,878	248,585	9,398	-	-	257,983
Flow-through share premium liability		-	(58,422)	-	-	-	(58,422)
Proceeds received in advance		-	-	44,650	-	-	44,650
Shares issued pursuant to acquisition of Star property	9(b)	500,000	40,000	-	-	-	40,000
Share-based payment expense	9(f)	-	-	133,446	-	-	133,446
Reclass of expired options		-	-	(4,375)	-	4,375	-
Reclass of expired warrants		-	-	(247,777)	-	247,777	-
Net loss and comprehensive loss		-	-	-	-	(1,556,402)	(1,556,402)
<b>Balance, November 30, 2022</b>		<b>138,852,686</b>	<b>18,170,708</b>	<b>1,706,840</b>	<b>(3,586)</b>	<b>(13,176,650)</b>	<b>6,697,312</b>

# GRANITE CREEK COPPER LTD.

## Condensed Interim Consolidated Statements of Cash Flows

For the Three and Six Months Ended November 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

		Three months ended November 30,		Six months ended November 30,	
	Note	2022	2021	2022	2021
		\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>					
Net income (loss) for the period		(590,304)	(1,195,459)	(1,556,402)	(3,729,033)
Items not involving cash:					
Other income	7	(92,221)	(12,643)	(203,756)	(246,125)
Interest expense	6	6,958	5,540	8,319	11,140
Share-based payment expense	9(f)	42,765	92,713	133,446	242,890
Severance liability accretion expense	8	16,218	14,743	32,227	29,299
		(616,584)	(1,095,106)	(1,586,166)	(3,691,829)
Net change in non-cash working capital items	11	317,378	134,533	473,855	138,856
<b>Cash used in operating activities</b>		<b>(299,206)</b>	<b>(960,573)</b>	<b>(1,112,311)</b>	<b>(3,552,973)</b>
<b>INVESTING ACTIVITIES</b>					
Acquisition of exploration and evaluation assets	5	-	-	(13,440)	(11,450)
<b>Cash used in investing activities</b>		<b>-</b>	<b>-</b>	<b>(13,440)</b>	<b>(11,450)</b>
<b>FINANCING ACTIVITIES</b>					
Proceeds received from private placements	9(b)	271,760	-	271,760	-
Share issue costs	9(b)	(13,777)	-	(13,777)	-
Proceeds received in advance		44,650	-	44,650	-
Proceeds from exercise of warrants	9(b)	-	227,590	-	268,257
<b>Cash provided by financing activities</b>		<b>302,633</b>	<b>227,590</b>	<b>302,633</b>	<b>268,257</b>
<b>CHANGE IN CASH</b>		<b>3,427</b>	<b>(732,983)</b>	<b>(823,118)</b>	<b>(3,296,166)</b>
<b>Cash, beginning of period</b>		<b>123,110</b>	<b>1,374,263</b>	<b>949,655</b>	<b>3,937,446</b>
<b>CASH, END OF PERIOD</b>		<b>126,537</b>	<b>641,280</b>	<b>126,537</b>	<b>641,280</b>

Supplemental cash flow information (Note 11)

# GRANITE CREEK COPPER LTD.

Notes to the Interim Condensed Consolidated Financial Statements  
For the Three and Six Months Ended November 30, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

---

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Granite Creek Copper Ltd. (the “Company”) was incorporated on June 23, 2010 under the British Columbia Business Corporations Act. The Company’s principal business activities include the acquisition, exploration and development of mineral properties. The address of the Company’s corporate office and its principal place of business is Suite 904, 409 Granville Street, Vancouver, BC, V6C 1T2. The Company is a reporting issuer and trades on the TSX Venture Exchange in Canada under the symbol “GCX”.

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve profitable operations. The Company has sustained losses from operations and has an ongoing requirement for capital investment to acquire and explore its mineral properties.

The Company incurred a net loss of \$1,556,402 during the six months ended November 30, 2022, and as of that date, had an accumulated deficit of \$13,176,650 (May 31, 2022: \$11,872,400) and working capital deficit of \$745,645 (May 31, 2022 working capital of \$42,930). At November 30, 2022, the Company had a total of \$218,826 (May 31, 2022: \$1,238,548) in current assets and \$1,062,039 (May 31, 2022: \$658,429) in long term debt.

While the Company has been successful in obtaining the necessary financing to cover its corporate operating costs and advance the development of its projects through the issuance of common shares and the exercise of warrants in the past, there is no assurance it will be able to raise funds in this manner in the future. There remain material uncertainties that may cast significant doubt as to the Company’s ability to continue as a going concern. These condensed interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

## 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

### Statement of compliance

The Company’s condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended May 31, 2022, which have been prepared in accordance with IFRS. These condensed interim consolidated financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

The Board of Directors approved these condensed interim consolidated financial statements on January 30, 2023.

### Basis of Consolidation

The condensed interim consolidated financial statements include the results or financial information of Granite Creek Copper Ltd. and its wholly-owned subsidiaries listed in the following table:

<b>Name</b>	<b>Country of incorporation</b>
Copper North Mining Corp.	Canada
Carmacks Mining Corp.	Canada
Granite Creek (Barbados) Limited (inactive)	Barbados
Granite Creek (Mali) Sarl (inactive)	Mali
838232 Yukon Inc.	Canada

# GRANITE CREEK COPPER LTD.

Notes to the Interim Condensed Consolidated Financial Statements  
For the Three and Six Months Ended November 30, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. All intercompany balances and transactions have been eliminated upon consolidation.

### 3. USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended May 31, 2022.

### 4. PREPAID EXPENSES AND DEPOSITS

	November 30, 2022	May 31, 2022
	\$	\$
Prepaid expenses	72,209	259,134
Deposits	-	8,000
	<b>72,209</b>	<b>267,134</b>

The Company has made total prepaid and deposits of \$222,000 for work to be completed on the Carmacks property and as of November 30, 2022 invoices of \$188,200 were drawn down on the advance. The Company prepaid the advance royalty of \$30,000 due prior to May 31, 2023.

### 5. EXPLORATION AND EVALUATION ASSETS

A summary of the changes in exploration and evaluation acquisition costs is presented below:

	Carmacks North	Carmacks	Star	Total
	\$	\$		\$
<b>Balance, May 31, 2021</b>	<b>249,078</b>	<b>7,970,728</b>	-	<b>8,219,806</b>
Advance royalty payments	30,000	100,000	-	130,000
Licensing & maintenance	-	11,450	-	11,450
<b>Balance, May 31, 2022</b>	<b>279,078</b>	<b>8,082,178</b>	-	<b>8,361,256</b>
Acquisition costs – cash	-	-	10,000	10,000
Acquisition costs – shares	-	-	40,000	40,000
Licensing & maintenance	-	-	3,440	3,440
<b>Balance, November 30, 2022</b>	<b>279,078</b>	<b>8,082,178</b>	<b>53,440</b>	<b>8,414,696</b>

#### Carmacks North (previously named Stu Project)

In January 2019, the Company acquired an undivided 100% interest in the Carmacks North (formerly Stu Project) in Yukon Territory, Canada from arms-length vendors (the "Vendors"). In consideration, the Company issued an aggregate of 3,000,000 units (each, a "Transaction Unit") valued at \$225,000 and granted a 3% net smelter return royalty to the Vendors on any future production on the Stu Property (the "Royalty"). The Company has the option to purchase up to two-thirds of the Royalty from the Vendors. The agreement also provides that the Company will make annual advance Royalty payments of \$30,000 to the Vendors beginning in May 2022, and in each subsequent year thereafter, until the commencement of any commercial production on Carmacks North. At November 30, 2022, \$60,000 has been paid in advance royalty payments relating to the May 31, 2022 and 2023 payments.



# GRANITE CREEK COPPER LTD.

Notes to the Interim Condensed Consolidated Financial Statements  
For the Three and Six Months Ended November 30, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

---

## Carmacks Project

The Company acquired 100% of the Carmacks Project, an oxide copper, gold, and silver deposit located in Yukon, Canada, on November 27, 2020.

At November 30, 2022, \$1.9 million has been paid in advance royalty payments. The Company is required to make an advance royalty payment of \$100,000 in any year in which the average daily copper price reported by the London Metal Exchange is US\$1.10 per pound or greater. (Paid on January 17, 2022) Any production from the Carmacks Project is subject to either a 15% net profits interest or a 3% net smelter return royalty, at the Company's election. If the Company elects to pay the net smelter return royalty, it has the right to purchase the royalty for \$2.5 million, less any advance royalty payments made to that date.

Carmacks Mining Corp. holds a Guaranteed Investment Certificate in the amount of \$80,300 in safekeeping for the Yukon Government. This amount represents the estimated reclamation cost for the work performed to date on the property.

## Star property

The Company acquired the Star Cu-Ni-Platinum Group Metal project, located in the Omineca mineral belt of northern British Columbia. The Company secured a 100% interest in the Star project, with no underlying royalty or further obligation, for a total consideration of \$10,000 in cash and the issuance of 500,000 common shares of the Company (valued at \$40,000).

## Other

The Company's subsidiary, Copper North Mining Corp, has a deposit of \$10,000 held by the Government of British Columbia to cover reclamation costs for the work performed on a previously held property.

## 6. EXPLORATION EXPENDITURES

The Company incurred exploration expenses for the three months ended November 30, 2022 as follows:

	<b>Carmacks North</b>	<b>Carmacks</b>	<b>Star</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>		<b>\$</b>
Analysis	523	22,501	3,364	26,388
Camp	7,801	22,452	5,480	35,733
Consulting	41,628	280,368	12,693	334,689
Equipment and communication	3,216	5,064	1,501	9,781
Helicopter and fuel	-	15,893	568	16,461
Permitting	-	964	-	964
Transport	-	4,909	5,458	10,367
	<b>53,168</b>	<b>352,151</b>	<b>29,064</b>	<b>434,383</b>

## GRANITE CREEK COPPER LTD.

Notes to the Interim Condensed Consolidated Financial Statements  
For the Three and Six Months Ended November 30, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

The Company incurred exploration expenses for the three months ended November 30, 2021 as follows:

	<b>Carmacks North</b>	<b>Carmacks</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Analysis	-	52,034	52,034
Camp	1,730	88,440	90,170
Consulting	53,240	134,925	188,165
Drilling	(2,162)	391,223	389,061
Equipment and communication	2,625	15,669	18,294
Geophysics	54,133	-	54,133
Helicopter and fuel	4,246	(175)	4,071
Transport	417	34,160	34,577
	<b>114,229</b>	<b>716,276</b>	<b>830,505</b>

The Company incurred exploration expenses for the six months ended November 30, 2022 as follows:

	<b>Carmacks North</b>	<b>Carmacks</b>	<b>Star</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>		<b>\$</b>
Analysis	521	27,092	3,363	30,976
Camp	163,357	133,007	5,480	301,844
Consulting	41,628	710,463	12,693	764,784
Drilling	-	3,864	-	3,864
Equipment and communication	3,216	38,234	1,502	42,952
Helicopter and fuel	17,867	38,654	568	57,089
Permitting	-	1,033	-	1,033
Transport	-	25,518	5,458	30,976
	<b>226,589</b>	<b>977,865</b>	<b>29,064</b>	<b>1,233,518</b>

The Company incurred exploration expenses for the six months ended November 30, 2021 as follows:

	<b>Carmacks North</b>	<b>Carmacks</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Analysis	927	128,702	129,629
Camp	9,604	240,023	249,627
Consulting	304,765	668,372	973,137
Drilling	47,559	1,463,524	1,511,083
Equipment and communication	15,552	43,970	59,522
Geophysics	186,479	-	186,479
Helicopter and fuel	44,646	21,118	65,764
Transport	417	62,869	63,286
	<b>609,949</b>	<b>2,628,578</b>	<b>3,238,527</b>

# GRANITE CREEK COPPER LTD.

Notes to the Interim Condensed Consolidated Financial Statements  
For the Three and Six Months Ended November 30, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

---

## 7. FLOW-THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability was as follows:

	\$
<b>Balance, May 31, 2021</b>	246,125
Flow-through share premium on the issuance of flow-through common shares	208,333
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	<u>(309,124)</u>
<b>Balance, May 31, 2022</b>	<b>145,334</b>
Flow-through share premium on the issuance of flow-through common shares	58,422
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	<u>(203,756)</u>
<b>Balance, November 30, 2022</b>	<b><u>-</u></b>

## 8. SEVERANCE LIABILITY

On June 16, 2020 the Company's subsidiary, Copper North Mining Corp, reached a Settlement Agreement with the departing CEO which resolves all his outstanding claims for unpaid wages, severance, and unpaid expenses. The settlement amount of \$880,957 will be due and payable in five years with provisions for earlier payment or shares-for-debt settlement under certain conditions and subject to approvals as may be required.

As the severance liability is non-current, it was discounted to its present value on inception of the liability, using a 10% interest rate. During the three and six months ended November 30, 2022 accretion expense of \$16,218 and \$32,227 respectively was recorded for a balance as at November 30, 2022 of \$690,656.

## 9. SHARE CAPITAL

### a) Authorized

Unlimited common shares without par value

### b) Share issuance details

Subsequent to November 30, 2022, the Company closed the second tranche of a private placement for aggregate gross proceeds of \$134,700 by issuing a total of 472,727 flow-through ("FT") shares at a price of \$0.11 per share and 1,102,667 non-FT units at a price of \$0.075 per unit. (Note 14)

#### **Six Months Ended November 30, 2022**

- On October 6, 2022, the Company closed the first tranche of a private placement for aggregate gross proceeds of \$271,760 by issuing a total of 1,460,546 FT shares and 1,481,332 non-FT units.

The 1,460,546 FT shares were issued at \$0.11 per share for total gross proceeds of \$160,660. The Company allocated \$58,422 to flow-through share premium liability using the residual method.

The 1,481,332 non-FT units were issued at \$0.075 per unit for gross proceeds of \$111,010. Each unit consists of one common share of the Company and one share purchase warrant. Each whole warrant will entitle the holder to acquire one common non-FT share of the

## GRANITE CREEK COPPER LTD.

Notes to the Interim Condensed Consolidated Financial Statements  
For the Three and Six Months Ended November 30, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

---

Company at an exercise price of \$0.10 per share for a period of 24 months following the closing date. The Company allocated \$7,407 to warrant reserve using the residual value method.

In connection with the private placement the Company issued 115,678 brokers' warrants. Each brokers' warrant will entitle the holder to acquire one common non-flow-through share of the Company at an exercise price of \$0.10 per share for a period of 24 months following the closing date. The brokers' warrants were valued at \$1,991 using the Black-Scholes pricing model. The Company also incurred cash share issuance costs of \$13,777.

- During the six months ended November 30, 2022, the Company issued 40,000 common shares valued at \$0.08 per share on the date of issuance, pursuant to the acquisition of the Star property.

### **Six Months Ended November 30, 2021**

- During the six months ended November 30, 2021, the Company issued 1,560,033 common shares pursuant to the exercise of share purchase warrants with a weighted average exercise price of \$0.17 per share. The weighted average share price on the date of exercise was \$0.17.

### **c) Stock options**

A summary of the changes in stock options is presented below:

	<b>Number of options</b>	<b>Weighted average exercise price</b>
		\$
<b>Balance, May 31, 2021</b>	<b>11,248,000</b>	<b>0.15</b>
Granted	3,685,000	0.20
Exercised	(500,000)	0.13
Expired	(339,000)	0.24
<b>Balance, May 31, 2022</b>	<b>14,094,000</b>	<b>0.16</b>
Granted	360,000	0.10
Expired	(80,000)	0.21
<b>Balance, November 30, 2022</b>	<b>14,374,000</b>	<b>0.16</b>
<b>Exercisable, November 30, 2022</b>	<b>11,690,667</b>	<b>0.16</b>

## GRANITE CREEK COPPER LTD.

Notes to the Interim Condensed Consolidated Financial Statements  
For the Three and Six Months Ended November 30, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

The following stock options were outstanding as at November 30, 2022:

Outstanding	Exercisable	Weighted average exercise price	Expiry date	Weighted average remaining life (in years)
		\$		
2,649,000	2,649,000	0.15	February 1, 2024	1.17
600,000	600,000	0.15	May 15, 2024	1.46
2,900,000	2,900,000	0.10	June 19, 2025	2.55
1,420,000	1,420,000	0.14	August 21, 2025	2.73
2,585,000	2,585,000	0.22	March 17, 2026	3.30
225,000	225,000	0.22	May 15, 2026	3.46
300,000	200,000	0.16	October 6, 2026	3.85
3,335,000	1,111,667	0.20	February 14, 2027	4.21
360,000	-	0.10	August 2, 2027	4.67
<b>14,374,000</b>	<b>11,690,667</b>	<b>0.16</b>		<b>2.88</b>

### d) Share purchase warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
		\$
<b>Balance, May 31, 2021</b>	<b>52,130,509</b>	<b>0.20</b>
Issued	505,554	0.27
Exercised	(4,786,006)	0.16
Expired	(2,143,636)	0.23
<b>Balance, May 31, 2022</b>	<b>45,706,421</b>	<b>0.21</b>
Issued	1,597,010	0.10
Expired	(7,430,192)	0.23
<b>Balance, November 30, 2022</b>	<b>39,873,239</b>	<b>0.20</b>

The following share purchase warrants were outstanding as at November 30, 2022:

Outstanding	Weighted average exercise price	Expiry date	Weighted average remaining life (in years)
	\$		
22,046,634	0.20	January 16, 2023	0.13
8,662,081	0.30	March 16, 2023	0.29
3,347,160	0.075	June 5, 2023	0.51
2,914,800	0.075	June 18, 2023	0.55
800,000	0.125	August 7, 2023	0.68
505,554	0.27	December 17, 2023	1.05
115,678	0.10	October 6, 2024	1.85
1,481,332	0.10	October 6, 2024	1.85
<b>39,873,239</b>	<b>0.20</b>		<b>0.32</b>

Subsequent to November 30, 2022 a total of 22,045,634 warrants with an exercise price of \$0.20 expired unexercised.

### e) Compensation options

A total of 175,000 compensation options were issued pursuant to a private placement completed in March 2021 described in Note 10(b). Each compensation option entitles the holder to acquire

# GRANITE CREEK COPPER LTD.

## Notes to the Interim Condensed Consolidated Financial Statements For the Three and Six Months Ended November 30, 2022 and 2021 (Unaudited - Expressed in Canadian Dollars)

---

one Unit at a price of \$0.20 until March 16, 2023. Each Unit consists of one common share and one-half of one warrant. The warrant entitles the holder to purchase an additional common share at a price of \$0.30 until March 16, 2023.

### f) Share-based payment expense and reserve

During the six months ended November 30, 2022, the Company granted incentive stock options to Directors, Officers and consultants of the Company. The fair value of the stock options granted during the six months ended November 30, 2022 was calculated using the Black Scholes option pricing model with the following weighted average assumptions:

Risk free interest rate	3.40%
Expected life in years	5.0
Expected volatility	60%
Expected dividends	Nil

During the six months ended November 30, 2022, total share-based payment expense was \$133,446 (2021 - \$150,177) in respect of the vesting of previously granted stock options and newly granted options and was recorded in profit or loss.

Expected volatility is based on historical price volatility to the extent of the expected life of the option.

The fair value of the 115,678 brokers' warrants, valued at \$1,991, that were issued during the six months ended November 30, 2022 pursuant to the October 2022 private placement described in Note 9(b) was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk free interest rate	3.87%
Expected life in years	2.0
Expected volatility	61%
Expected dividends	Nil

During the six months ended November 30, 2022, the Company reclassified \$4,375 (2021 - \$57) from share-based payment reserve to deficit with respect to options that expired during the period

During the six months ended November 30, 2022, the Company reclassified \$247,777 (2021 - \$nil) from share-based payment reserve to deficit with respect to warrants that expired during the period

## 10. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are the Directors and Executive Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and are reviewed and approved by the Company's Board. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

In addition to key management personnel, the Company transacted with the following related parties during the three and six months ended November 30, 2022 and 2021:

- TruePoint Exploration Inc. ("TruePoint") is a privately held exploration service company that provides exploration and administrative services to the Company as well as to other exploration companies. Costs covered by TruePoint include exploration expenditures (technical work on the project such as drilling, sampling and geophysics), consulting, investor relations and corporate development costs and other admin costs. Timothy Johnson, President and CEO of the Company, and Michael Rowley director of the Company, are minority shareholders of TruePoint;

# GRANITE CREEK COPPER LTD.

## Notes to the Interim Condensed Consolidated Financial Statements For the Three and Six Months Ended November 30, 2022 and 2021 (Unaudited - Expressed in Canadian Dollars)

- 1111040 BC Ltd., a private company controlled by the President and CEO of the Company; and
  - MVR Consulting Inc., a private company controlled by Michael Rowley, Director.
- Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described below.

### a) Related Party Transactions

The Company's related party transactions for the three and six months ended November 30, 2022 and 2021 were as follows:

	Three months ended		Six months ended	
	November 30, 2022	November 30, 2021	November 30, 2022	November 30, 2021
	\$	\$	\$	\$
Consulting and management fees <sup>(1)</sup>	58,848	55,072	109,714	106,723
Share-based payments <sup>(2)</sup>	42,765	21,952	133,446	55,908
Exploration and administrative support costs <sup>(3)</sup>	819,504	863,721	2,120,852	3,213,181
	<b>921,117</b>	<b>940,745</b>	<b>2,364,012</b>	<b>3,375,812</b>

<sup>1</sup> Consulting fees for the three and six months ended November 30, 2022 and 2021 consisted of fees earned by key management personnel including the CEO and CFO.

<sup>2</sup> Share-based payments expense is a non-cash item that consisted exclusively of the fair value of stock options that were granted to key management personnel.

<sup>3</sup> Transactions with TruePoint for the six months ended November 30, 2022 consisted of exploration expenditures (\$2,032,517), investor relations and corporate development fees (\$75,949) and other/office fees (\$12,386).

### b) Related Party Balances

The Company's related party payable balances consisted of the following:

	November 30, 2022	May 31, 2022
<b>Current liabilities – Due to related parties</b>	<b>\$</b>	<b>\$</b>
TruePoint, net <sup>(1)</sup>	513,033	504,546
TruePoint, Promissory note	-	111,589
Tim Johnson	24,857	25,436
1111040 BC Ltd	31,500	15,750
Loy Chunpongtong (Director) <sup>(2)</sup>	17,333	17,333
	<b>586,723</b>	<b>674,654</b>
	<b>November 30, 2022</b>	<b>May 31, 2022</b>
<b>Long-term liabilities – Due to related parties</b>	<b>\$</b>	<b>\$</b>
TruePoint	257,287	-
TruePoint, Promissory note	114,096	-
	<b>371,383</b>	<b>-</b>

<sup>1</sup> This amount was the net of cash advances made to TruePoint, partially offset by charges from TruePoint

<sup>2</sup> This amount is related to director fees payable by Copper North Mining Corp. for time Mr. Chunpongtong served as a Copper North Mining Corp. director prior to its acquisition by the Company.

The Company's subsidiary, Copper North Mining Corp, entered into a promissory note for \$100,000 on February 5, 2020. The promissory note bears interest at the rate of 5% per annum. The balance as at November 30, 2022 is \$114,096 including \$14,096 accrued interest and included in due to

# GRANITE CREEK COPPER LTD.

## Notes to the Interim Condensed Consolidated Financial Statements For the Three and Six Months Ended November 30, 2022 and 2021 (Unaudited - Expressed in Canadian Dollars)

related parties. During the three months ended November 30, 2022 Copper North Mining Corp entered into another loan agreement with TruePoint for \$257,287 of outstanding accounts payable from before the acquisition.

Current amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

### 11. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the three and six months ended November 30, 2022 and 2021 consisted of the following:

	Three months ended November 30,		Six months ended November 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Receivable	39,918	(114,436)	1,679	(78,359)
Due to / from related parties	(138,290)	220,582	(92,931)	45,974
Prepaid expenses	18,640	36,331	194,925	181,561
Accounts payable and accrued liabilities	397,110	(7,944)	370,182	(10,320)
	<u>317,378</u>	<u>134,533</u>	<u>473,855</u>	<u>138,856</u>

During the six months ended November 30, 2022, the non-cash transactions consisted of the following:

- (i) issuing 500,000 common shares pursuant to the purchase of the Star property;
- (ii) issuing 115,678 brokers' warrants, valued at \$1,991 pursuant to the October 2022 private placement described in Note 9(b)

During the six months ended November 30, 2021 the Company had no non-cash transactions.

### 12. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and due to related parties. Cash, accounts receivable, accounts payable and accrued liabilities and due to related parties are classified as amortized cost.

As at November 30, 2022 the Company believes the carrying values of cash, receivables, accounts payable and accrued liabilities, due to related parties and short-term loans approximate their fair values due to the short period to maturity.

The Company's financial instruments are exposed to certain financial risks, including liquidity risk, currency risk, interest rate risk, credit risk, and other price risk. There have been no changes in any risk management policies since May 31, 2022.

### 13. COMMITMENTS

As a result of the issuance of FT shares in December 2021, the Company had a commitment to incur \$1,500,001 on qualifying Canadian exploration expenditures. At November 30, 2022, the Company had incurred \$1,500,001 of those qualifying expenditures.

As a result of the issuance of FT shares in October 2022, the Company had a commitment to incur \$160,660 on qualifying Canadian exploration expenditures. At November 30, 2022, the Company had incurred \$160,660 of those qualifying expenditures.

### 14. SUBSEQUENT EVENT



## **GRANITE CREEK COPPER LTD.**

Notes to the Interim Condensed Consolidated Financial Statements  
For the Three and Six Months Ended November 30, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

---

Subsequent to November 30, 2022, the Company closed the second tranche of a private placement for aggregate gross proceeds of \$134,700 by issuing a total of 472,727 FT shares at a price of \$0.11 per share and 1,102,667 non-FT units at a price of \$0.075 per unit.