



Condensed Interim Consolidated Financial Statements
For the three and nine-month periods ended September 30, 2023 and 2022
Presented in Canadian dollars
(Unaudited)

O3 Mining

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Condensed Interim Consolidated Statements of Financial Position (Tabular amounts express in thousands of Canadian dollars) (Unaudited)

<i>As at</i>	September 30, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 12,361	\$ 18,711
Other receivables	-	483
Advances and prepaid expenses	295	405
Taxes recoverable	929	3,185
Marketable securities (note 3)	5,681	7,830
Assets classified as held for sale (note 6(b))	1,141	-
Total current assets	20,407	30,614
Non-current assets		
Investment in associate (note 4)	51,070	50,896
Property, plant and equipment (note 5)	5,542	4,328
Exploration and evaluation assets (note 6)	198,153	183,697
Total non-current assets	254,765	238,921
Total assets	\$ 275,172	\$ 269,535
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,970	\$ 4,184
Current lease liabilities (note 7)	276	337
Total current liabilities	4,246	4,521
Non-current liabilities		
Flow-through premium liability (note 11(a))	795	5,146
Share-based payment liability (note 8)	2,261	1,927
Convertible debenture (note 9)	6,420	-
Non-current lease liabilities (note 7)	1,302	1,502
Deferred tax liability (note 10)	18,706	15,115
Total non-current liabilities	29,484	23,690
Total liabilities	33,730	28,211
Equity		
Share capital (note 11(a))	213,749	214,211
Contributed surplus (note 11(d))	19,977	19,571
Equity component of convertible debenture (note 9)	2,876	-
Retained earnings	4,840	7,542
Total equity attributed to equity holders of the Corporation	241,442	241,324
Total liabilities and equity	\$ 275,172	\$ 269,535

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

Commitments (note 14)

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Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Tabular amounts express in thousands of Canadian dollars, except per share and share amounts) (Unaudited)

<i>For the period ended</i>	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Expenses/(income)				
Compensation expenses (note 12)	\$ 751	\$ 438	\$ 2,457	\$ 2,740
General and administration expenses (note 12)	769	753	2,048	2,445
General exploration expenses	-	7	-	74
Loss on impairment of exploration and evaluation assets	-	-	-	7,893
Flow-through premium income (note 11(a))	(1,095)	(1,787)	(4,351)	(7,937)
Loss/(gain) from marketable securities (note 3)	599	(399)	94	(608)
Gain on disposition of property, plant and equipment (note 5)	-	-	(2)	-
Gain on disposition of exploration and evaluation assets	-	-	-	(4,246)
Share of loss/(gain) of associate (note 4)	316	272	(174)	(816)
Loss/(income) before finance items and income tax	1,340	(716)	72	(455)
Finance income	(192)	(61)	(537)	(165)
Finance costs	398	203	503	306
Net finance loss/(income)	206	142	(34)	141
Loss/(income) before tax	1,546	(574)	38	(314)
Deferred income tax expense (note 10)	363	940	2,534	5,007
Current income tax expense	-	-	130	-
Loss and comprehensive loss	\$ 1,909	\$ 366	\$ 2,702	\$ 4,693
Basic loss per share (note 11(b))	\$ 0.03	\$ 0.01	\$ 0.04	\$ 0.07
Weighted average number of shares (note 11(b))	74,654,336	71,396,587	74,638,831	69,321,247
Diluted loss per share (note 11(c))	\$ 0.03	\$ 0.01	\$ 0.04	\$ 0.07
Diluted weighted average number of shares (note 11(c))	74,654,336	71,396,587	74,638,831	69,321,247

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Condensed Interim Consolidated Statements of Changes in Equity (Tabular amounts express in thousands of Canadian dollars) (Unaudited)

Attributable equity to owners of the Corporation

	Number of Shares	Share Capital	Equity component of convertible debenture	Contributed Surplus	Retained Earnings	Total
Balance January 1, 2023	74,834,969	\$ 214,211	\$ -	\$ 19,571	\$ 7,542	\$ 241,324
Loss for the period	-	-	-	-	(2,702)	(2,702)
Stock-based compensation	-	-	-	406	-	406
Shares repurchased under normal course issuer bid (note 11(a))	(210,100)	(335)	-	-	-	(335)
Equity instruments listing costs	-	(223)	-	-	-	(223)
Issuance of shares on acquisition of Kinebik Property (note 6(a))	29,467	41	-	-	-	41
Issuance of convertible debenture (note 9)	-	-	3,989	-	-	3,989
Deferred tax asset/(liability) (note 10)	-	55	(1,113)	-	-	(1,058)
Balance September 30, 2023	74,654,336	\$ 213,749	\$ 2,876	\$ 19,977	\$ 4,840	\$ 241,442

Attributable equity to owners of the Corporation

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Retained Earnings	Total
Balance January 1, 2022	68,160,439	\$ 204,682	\$ 9,399	\$ 8,947	\$ 14,550	\$ 237,578
Loss for the period	-	-	-	-	(4,693)	(4,693)
Stock-based compensation	-	-	-	900	-	900
Expiry of Warrants	-	-	(9,134)	9,134	-	-
Issuance of shares on acquisition of East-West Property	325,000	718	-	-	-	718
Private placement (net of transaction costs (\$1,275,000))	7,150,930	9,594	-	-	-	9,594
Shares repurchased under normal course issuer bid	(619,100)	(752)	-	-	-	(752)
Deferred tax asset on share issue cost	-	338	-	-	-	338
Balance September 30, 2022	75,017,269	\$ 214,580	\$ 265	\$ 18,981	\$ 9,857	\$ 243,683

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

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Condensed Interim Consolidated Statements of Cash Flows (Tabular amounts express in thousands of Canadian dollars) (Unaudited)

<i>For the period ended</i>	September 30, 2023	September 30, 2022
Cash flows provided by/(used in) operating activities		
Loss for the period	\$ (2,702)	\$ (4,693)
Adjustments for:		
Stock-based compensation (note 8 and note 11(d))	720	1,183
Depreciation (note 5)	90	62
Flow-through premium income (note 11(a))	(4,351)	(7,937)
Marketable securities loss/(gain) (note 3)	94	(608)
Gain on disposition of property, plant and equipment (note 5)	(2)	-
Gain on disposition of exploration and evaluation assets	-	(4,246)
Loss on impairment of exploration and evaluation assets	-	7,893
Interest income	(537)	(165)
Interest expense on lease liabilities	69	76
Interest expense on convertible debenture (note 9)	409	-
Settlement of restricted share units (note 8)	(234)	-
Share of gain of associate (note 4)	(174)	(816)
Deferred income tax expense (note 10)	2,534	5,007
	(4,084)	(4,244)
Change in items of working capital:		
Change in other receivables	483	539
Change in advances and prepaid expenses	110	159
Change in taxes recoverable	3,331	(746)
Change in accounts payable and accrued liabilities	(483)	(298)
Net cash used in operating activities	(643)	(4,590)
Cash flows provided by/(used in) investing activities		
Interest received	537	165
Acquisition of marketable securities (note 3)	(83)	(162)
Proceeds on disposition of marketable securities (note 3)	2,138	10,246
Acquisition of property, plant and equipment (note 5)	(1,628)	(696)
Addition to exploration and evaluation assets (note 6)	(15,754)	(24,260)
Proceeds on disposition of exploration and evaluation assets	-	2,992
Acquisition of exploration and evaluation assets (note 6)	(69)	(768)
Net cash used in investing activities	(14,859)	(12,483)
Cash flows from/(used in) financing activities		
Repayment of lease liabilities	(289)	(303)
Vesting of restricted share units	-	(504)
Cash received on issuance of convertible debenture (note 9)	10,000	-
Cash received from private placements	-	17,455
Equity instruments listing costs	(224)	-
Net cash used in repurchasing shares under normal course issuer bid (note 11(a))	(335)	(752)
Net cash from financing activities	9,152	15,896
Decrease in cash and cash equivalents	(6,350)	(1,177)
Cash and cash equivalents, beginning of period	18,711	27,218
Cash and cash equivalents, end of period	\$ 12,361	\$ 26,041

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

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Notes to Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)
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1) Reporting entity

O3 Mining Inc. ("**O3 Mining**" or the "**Corporation**") is a Canadian corporation domiciled in Canada. The Corporation was incorporated in British Columbia and continued to Ontario on June 28, 2019, under the Ontario Business Corporations Act. The address of the Corporation's registered office is 155 University Ave, Suite 1440, Toronto, Ontario, Canada. The Corporation is primarily in the business of acquiring, exploring, and developing precious mineral deposits in Canada.

The business of acquiring, exploring, and developing precious mineral deposits involves a high degree of risk. O3 Mining is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital; exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or, alternatively O3 Mining's ability to dispose of its interest on an advantageous basis; as well as global economic and commodity price volatility; all of which are uncertain. There is no assurance that O3 Mining's funding initiatives will continue to be successful. The underlying value of the mineral properties is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material impairment of the carrying value of mineral properties and deferred exploration.

2) Basis of preparation

a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements including International Accounting Standard ("IAS") 34, Interim Financial Reporting and are presented in thousands of Canadian dollars.

These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with the Corporation's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2022.

These condensed interim consolidated financial statements were authorized for issuance by the Corporation's board of directors (the "Board of Directors") on November 7, 2023.

b) Significant accounting policies

The significant accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Corporation's audited annual consolidated financial statements for the year ended December 31, 2022, except for policies adopted in the period ended September 30, 2023. The accounting policies set out below are in accordance with IFRS and have been applied to these unaudited condensed interim consolidated financial statements.

Financial instruments - Convertible debenture

The Corporation initially recognised the convertible debenture, which contained the host debt and the non-equity embedded derivative at its fair value. The debt component is subsequently measured at amortised cost. The amount of change in the fair value of the derivative component is presented in profit or loss.

The non-equity embedded derivative was reclassified, subsequent to initial recognition, to equity.

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2) Basis of preparation (continued)

c) Changes in IFRS accounting policies and future accounting pronouncements

Certain pronouncements were issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee that apply in accounting periods beginning on or after January 1, 2023. They are not applicable or do not have a significant impact to the Corporation.

d) Use of critical estimates and judgements

The preparation of these condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgements and estimates made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended December 31, 2022, except as noted below.

Fair value of the convertible debenture

Determining the fair value of the convertible debenture (the host debt and the equity component) involves the application of both the Black-Scholes option-pricing model and the discounted cash flow method. The valuation of the convertible debenture requires the input of highly subjective assumptions that can materially affect the fair value estimate. The valuation of the convertible debenture is subjective and can impact profit and loss significantly.

- **Risk-free interest rate:** The Corporation uses the interest rate available for government securities of an equivalent expected term at each valuation date.
- **Volatility:** The Corporation uses historical information on the market price of common shares of the Corporation to determine the degree of volatility at each valuation date.
- **Credit Spread:** The Corporation calibrated the credit spread at the inception date such that the fair value of the convertible debenture equals the total proceeds received, within a reasonable range for an exploration stage mining company.

3) Marketable securities

The Corporation holds shares and warrants in various public and private companies. During the three and nine-month period ended September 30, 2023, these shares and warrants were fair valued, and this resulted in an unrealized loss of \$599,000 and \$333,000, respectively (2022 –\$3,902,000 and \$4,006,000). The Corporation sold shares during the three and nine-month period ended September 30, 2023, which resulted in a realized gain of \$nil and \$239,000, respectively (2022 – \$4,301,000 and \$4,614,000).

The shares in the various public companies are classified as FVTPL and are recorded at fair value using the quoted market price as at September 30, 2023 and are therefore classified as level 1 within the fair value hierarchy.

The warrants in the various public companies are classified as FVTPL and are recorded at fair value using a Black-Scholes option pricing model using observable inputs and are therefore classified as level 2 within the fair value hierarchy.

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3) Marketable securities (continued)

The following table summarizes information regarding the Corporation's marketable securities as at September 30, 2023:

<i>As at</i>	September 30, 2023
Balance, beginning of period	\$ 7,830
Additions	83
Disposals	(2,138)
Realized gain	239
Unrealized loss	(333)
Balance, end of period	\$ 5,681

4) Investment in associate

Moneta Gold Inc. ("Moneta") is a mineral resource exploration and development company focused on the exploration and development of gold projects in the Timmins Camp of Ontario, Canada. Moneta's head office is located in Canada, and it is a public company listed on the Toronto Stock Exchange. The closing price of Moneta's common shares on September 30, 2023, was \$0.80 per share which corresponds to a quoted market value of \$19,934,000 for the Corporation's investment in Moneta. As at September 30, 2023, management has assessed that the decline in the value in use of the investment in associate, was not significant nor prolonged.

The equity accounting for Moneta is based on the results to June 30, 2023, adjusted for significant transactions between June 30, 2023 and September 30, 2023.

The following table summarizes information regarding the Corporation's investment in its associate as at September 30, 2023:

<i>As at</i>	September 30, 2023
Balance, beginning of period	\$ 50,896
Share of gain for the period	174
Balance, end of period	\$ 51,070

5) Property, plant and equipment

The following table summarizes information regarding the Corporation's property, plant and equipment as at September 30, 2023:

Class	September 30, 2023									
	Cost				Accumulated depreciation					
	Opening balance	Additions	Write-off / Disposals	Closing balance	Opening balance	Depreciation	Write-off / Disposals	Closing balance	Net book value	
Computer Equipment	\$ 238	\$ -	\$ -	\$ 238	\$ 120	\$ 27	\$ -	\$ 147	\$ 91	
Office Equipment	14	13	-	27	10	1	-	11	16	
Buildings	2,224	-	-	2,224	504	242	-	746	1,478	
Land	1,301	1,498	-	2,799	-	-	-	-	2,799	
Exploration Equipment	405	30	(176)	259	211	27	(137)	101	158	
Milling Plant	299	-	-	299	-	-	-	-	299	
Leasehold Improvements	831	-	-	831	159	66	-	225	606	
Automobiles	32	87	-	119	12	12	-	24	95	
Total	\$ 5,344	\$ 1,628	\$ (176)	\$ 6,796	\$ 1,016	\$ 375	\$ (137)	\$ 1,254	\$ 5,542	

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6) Exploration and evaluation assets

The following table summarizes information regarding the Corporation's exploration and evaluation assets as at September 30, 2023:

	December 31, 2022	Acquisitions	Additions	Transfer to assets classified as held for sale	September 30, 2023
Kan - James Bay	\$ 248	\$ -	\$ 14	\$ -	\$ 262
Éléonore Opinaca	1,026	-	115	(1,141)	-
Launay	1,013	-	357	-	1,370
Peacock	8	-	714	-	722
Matachewan - Wydee	260	-	374	-	634
Marban Alliance	111,192	-	8,745	-	119,937
Horizon	-	-	4,054	-	4,054
Alpha	68,283	110	1,100	-	69,493
Harricana	1,667	-	14	-	1,681
Total exploration and evaluation assets	\$ 183,697	\$ 110	\$ 15,487	\$ (1,141)	\$ 198,153

a) Acquisition of exploration and evaluation assets

On June 13, 2023, O3 Mining acquired a portion of the rights, title and interests in and to the Kinebik Property from NewOrigin Gold Corp in exchange for (i) cash consideration of \$50,000, (ii) 29,467 common shares in the capital of the Corporation.

b) Assets classified as held for sale

During the period ended September 30, 2023, the Corporation concluded that the carrying amount of its Éléonore Opinaca property will be recovered principally through a sale transaction instead of through continuing use.

On October 19, 2023, the Corporation closed a definitive share purchase agreement with a private company in which it has sold its Éléonore Opinaca property, in exchange for 2,400,000 common shares of the private company. Consideration for the sale of the Éléonore Opinaca property was fair valued at \$1,200,000.

7) Leases

The following table summarizes information regarding the Corporation's lease liabilities as at September 30, 2023:

<i>As at</i>	September 30, 2023
Balance, beginning of period	\$ 1,839
Accretion of interest	69
Payments	(289)
Disposal	(41)
Balance, end of period	\$ 1,578
Current	\$ 276
Non-current	1,302
Total lease liabilities	\$ 1,578

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8) Restricted share unit and deferred share unit plans

Under the Corporation's RSU plan and DSU plan, RSUs can be granted to executive officers and key employees and DSUs can be granted to non-executive directors, as part of their long-term compensation package, entitling them to receive payout in cash or Common Shares, or a combination of both. Should the payout be in cash, the cash value of the payout would be determined by multiplying the number of RSUs and DSUs vested at the payout date by the five-day volume weighted average price from the closing price of the Common Shares on the day prior to the payout date. Should the payout be in Common Shares, each RSU and DSU represents an entitlement to one Common Share.

The following table summarizes information regarding the Corporation's outstanding and exercisable RSUs and DSUs as at September 30, 2023:

	Number of DSUs	Number of RSUs
Outstanding at December 31, 2022	881,832	1,445,000
Granted	83,842	-
Vested	-	(150,000)
Outstanding at September 30, 2023	965,674	1,295,000

During the nine-month period ended September 30, 2023, 83,842 DSUs were issued to directors (2022 - 357,237), all of which were issued in lieu of directors' fees (2022 - 117,237). The weighted average fair value of the DSUs granted was \$1.44 per DSU initially at the closing price of the common shares of the Corporation on the date of grant (2022 - \$1.93). The DSUs vest immediately on the date of grant.

During the nine-month period ended September 30, 2023, nil RSUs were issued to management (2022 - 565,000). The RSUs vest on the third anniversary date from the date of grant.

As at September 30, 2023 the share-based payment liability related to each RSU and DSU was re-measured to fair value at the Corporation's closing share price of \$1.46.

The combined total recognized expense for RSUs and DSUs for the three and nine-month period ended September 30, 2023 was \$148,000 and \$567,000, respectively (2022 - recovery of \$291,000 and expense of \$513,000) from which \$37,000 and \$139,000 respectively were capitalized to exploration and evaluation assets (2022 - \$12,000 recovered from and \$47,000 capitalized).

9) Convertible debenture

On June 19, 2023, O3 Mining issued a senior unsecured convertible debenture in an aggregate principal amount of \$10,000,000 which will mature on June 19, 2028. The convertible debenture bears fixed interest at a rate of 10% per annum, payable semi-annually, half of which is payable in cash and half of which is payable, at the Corporation's option, in either common shares of the Corporation or in cash.

The holder of the convertible debenture is entitled, at any time prior to the maturity date, to convert, in whole or in part, the outstanding principal amount due from time to time into common shares of the Corporation at a price equal to \$2.05 per common share, subject to customary anti-dilution adjustments.

O3 Mining will be required to offer to purchase from the holder the remaining outstanding principal amount of the convertible debenture if a change of control of the Corporation occurs or if the Corporation sells all or substantially all, or enters into a joint venture agreement, option agreement or similar arrangement with respect to the Corporation's Marban Alliance project. The convertible debenture is subject to customary events of default.

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9) Convertible debenture (continued)

The convertible debenture was subject to an adjustment of conversion price clause, which expired on September 30, 2023. This could have resulted in a fixed amount of the stated principal not being converted into a fixed number of common shares of the Corporation. As a result of this, the conversion feature did not satisfy the 'fixed for fixed' criterion and was initially classified as an embedded derivative liability measured at fair value through profit or loss. On September 30, 2023, this feature was reassessed and reclassified to equity.

The host of the convertible debenture is classified as a long-term liability measured at amortised cost.

The following table summarizes information regarding the Corporation's convertible debenture as at September 30, 2023:

<i>As at</i>	September 30, 2023
Balance, beginning of period	\$ -
Issuance of convertible debenture	6,011
Coupon interest	281
Accretion	128
Balance, end of period	\$ 6,420

The total recognized interest expense on the convertible debenture for the three and nine-month period ended September 30, 2023, was \$365,000 and \$409,000, respectively. As at September 30, 2023 the accrued interest payable included in accounts payable and accrued liabilities was \$281,000.

The following table summarizes the assumptions used for the valuation of the convertible debt components:

<i>As at</i>	June 19, 2023
Time to maturity	5 years
Share price	\$ 1.45
Volatility	51.00%
Risk-free interest rate (based on government bonds)	3.75%
Credit spread	14.95%

10) Income taxes

The following table outlines the composition of the deferred tax expense between income tax and mining tax for the period ended September 30, 2023:

<i>For the period ended</i>	September 30, 2023	September 30, 2022
Deferred income tax expense	\$ 848	\$ 2,614
Deferred mining taxes	1,686	2,393
Total deferred income tax expense	\$ 2,534	\$ 5,007

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Corporation has the legal right and intent to offset. Deferred tax assets are recognized when the Corporation concludes that sufficient positive evidence exists to demonstrate that it is probable that a deferred tax asset will be realized.

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10) Income taxes (continued)

The following table provides the components of the deferred income and mining tax assets and liabilities:

<i>As at</i>	September 30, 2023	December 31, 2022
Deferred tax assets		
Losses	\$ 14,999	\$ 13,170
Mining tax deductible for income tax purposes	3,315	2,868
Share issue costs	2,583	2,584
Investment tax credits	262	262
Other net deductible temporary differences	452	399
Total deferred tax assets	\$ 21,611	\$ 19,283
Deferred tax liability		
Exploration and evaluation assets	\$ (23,024)	\$ (19,696)
Convertible debenture	(949)	-
Investment in associate	(4,109)	(3,878)
Deferred mining tax liability	(12,510)	(10,824)
Other net taxable temporary differences	275	-
Total deferred tax liability	\$ (40,317)	\$ (34,398)
Net deferred tax liability	\$ (18,706)	\$ (15,115)

11) Capital and other components of equity

a) Share capital – authorized

	Number of Common Shares	Amount
Balance December 31, 2022	74,834,969	\$ 214,211
Shares repurchased under normal course issuer bid	(210,100)	(335)
Equity instruments listing costs	-	(224)
Issuance of shares on acquisition of Kinebik Property (note 6(a))	29,467	41
Deferred tax asset on share issue cost (note 10)	-	56
Balance September 30, 2023	74,654,336	\$ 213,749

During the three and nine-month period ended September 30, 2023, flow-through premium income of \$1,095,000 and \$4,351,000 respectively (2022 – \$1,787,000 and \$7,937,000) was recognized relating to the flow-through shares issued.

During the three and nine-month period ended September 30, 2023, O3 Mining repurchased and canceled 210,100 common shares of the Corporation at an average price of \$1.59 for a total cost of \$335,000.

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Notes to Condensed Interim Consolidated Financial Statements

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11) Capital and other components of equity (continued)

b) Basic loss per share

The calculation of basic loss per share for the three and nine-month periods ended September 30, 2023 and 2022 was based on the income or loss attributable to common shareholders and a basic weighted average number of common shares outstanding, calculated as follows:

<i>For the period ended</i>	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Common shares outstanding, at beginning of the period	74,654,336	68,485,439	74,834,969	68,160,439
Common shares issued during the period	-	2,911,148	11,873	1,160,808
Shares repurchased under normal course issuer bid	-	-	(208,011)	-
Basic weighted average number of common shares	74,654,336	71,396,587	74,638,831	69,321,247
Basic loss for the period	\$ 1,909	\$ 366	\$ 2,702	\$ 4,693
Basic loss per share	\$ 0.03	\$ 0.01	\$ 0.04	\$ 0.07

c) Diluted loss per share

The Corporation incurred losses for the three and nine-month periods ended September 30, 2023 and 2022, therefore all outstanding stock options, RSUs, DSUs and convertible debt impact have been excluded from the calculation of diluted loss per share since the effect would be anti-dilutive. They could potentially dilute basic earnings per share in the future.

d) Contributed surplus

Under the Corporation's incentive stock-option plan, the maximum number of shares reserved for issuance under all security-based compensation arrangement of the Corporation is 10% of the issued and outstanding common shares of the Corporation, reduced by the numbers of RSUs and DSUs outstanding. The options issued under the plan may vest at the discretion of the Board of Directors and are exercisable for up to 5 years from the date of grant.

The following table summarizes the stock option transactions for the nine-month period ended September 30, 2023:

	Number of stock options	Weighted-average exercise price
Outstanding at December 31, 2022	5,113,686	\$ 2.73
Expired	(168,686)	2.77
Outstanding at September 30, 2023	4,945,000	\$ 2.73

During the nine-month period ended September 30, 2023, nil stock options were issued to directors, management, and employees (2022 – 880,000).

The total recognized expense for stock options for the three and nine-month period ended September 30, 2023, was \$125,000 and \$406,000, respectively (2022 - \$312,000 and \$900,000) from which \$36,000 and \$111,000 respectively were capitalized to exploration and evaluation assets (2022 - \$79,000 and \$183,000).

O3 Mining

Notes to Condensed Interim Consolidated Financial Statements
For the three and nine-month periods ended September 30, 2023 and 2022
 (Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)
 (Unaudited)

11) Capital and other components of equity (continued)

d) Contributed surplus (continued)

The following table summarizes information regarding the Corporation's outstanding and exercisable stock options as at September 30, 2023:

Range of exercise prices per share (\$)	Options outstanding			Options exercisable		
	Weighted-average remaining years of contractual life	Number of stock options outstanding	Weighted average exercise price (\$)	Weighted-average remaining years of contractual life	Number of stock options exercisable	Weighted average exercise price (\$)
1.47 to 2.49	2.9	1,125,000	\$2.05	2.3	511,656	\$2.18
2.50 to 2.79	1.4	1,210,000	\$2.50	1.4	1,210,000	\$2.50
2.80 to 3.19	0.9	1,830,000	\$3.07	0.9	1,830,000	\$3.07
3.20 to 3.26	2.3	780,000	\$3.26	2.3	519,991	\$3.26
1.47 to 3.26	1.7	4,945,000	\$2.73	1.4	4,071,647	\$2.81

12) Expenses

The following table summarizes information regarding the Corporation's expenses for the three and nine-month periods ended September 30, 2023 and 2022:

For the period ended	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Compensation expenses				
Stock-based compensation (note 8 and note 11(d))	\$ 200	\$ (44)	\$ 720	\$ 1,183
Salaries and benefits	551	482	1,737	1,557
Total compensation expenses	\$ 751	\$ 438	\$ 2,457	\$ 2,740
General and administration expenses				
Shareholder and regulatory expense	\$ 237	\$ 130	\$ 571	\$ 731
Travel expense	117	107	258	257
Professional fees	216	373	719	1,041
Office expense	199	143	500	416
Total general and administration expenses	\$ 769	\$ 753	\$ 2,048	\$ 2,445
Marketable securities				
Realized gain from marketable securities (note 3)	\$ -	\$ (4,301)	\$ (239)	\$ (4,614)
Unrealized loss from marketable securities (note 3)	599	3,902	333	4,006
Total marketable securities loss/(gain)	\$ 599	\$ (399)	\$ 94	\$ (608)

13) Related party transactions

Balances and transactions between the Corporation and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Corporation and other related parties are disclosed below.

During the three and nine-month period ended September 30, 2023, management fees, rent and administration fees of \$98,000 and \$356,000 (2022 - \$166,000 and \$508,000) were incurred with Osisko Mining Inc. ("Osisko Mining"), a related company of the Corporation by virtue of Osisko Mining having significant influence over the Corporation. Also, Mr. John Burzynski, Chairman of the Board of Directors of O3 Mining, serves as Executive Chairman, CEO, and Director of Osisko Mining and Mr. José Vizquerra, President and CEO of O3 Mining, serves as a Director of Osisko Mining. Accounts payable and accrued liabilities to Osisko Mining as at September 30, 2023 were \$33,000.

O3 Mining

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(Tabular amounts express in thousands of Canadian dollars, except per share and share amounts)

(Unaudited)

13) Related party transactions (continued)

The following table summarizes remuneration attributable to key management personnel for the three and nine-month periods ended September 30, 2023 and 2022:

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<i>For the period ended</i>				
Salaries expense of key management	\$ 195	\$ 172	\$ 585	\$ 491
Directors' fees	121	129	364	397
Stock-based compensation	137	95	498	712
Total	\$ 453	\$ 396	\$ 1,447	\$ 1,600

14) Commitments

The Corporation has the following exploration commitments as at September 30, 2023:

	Total	2023	2024	2025	2026
Equipment leases	\$ 134	\$ 31	\$ 66	\$ 30	\$ 7
Total	\$ 134	\$ 31	\$ 66	\$ 30	\$ 7

As at September 30, 2023, the Corporation has the following flow-through fund balance to be spent by December 31, 2023:

Closing date of financing	Province	Remaining flow-through funds
August 24, 2022	Québec	\$ 2,324
Total		\$ 2,324