



ENDURO METALS CORPORATION

Condensed Interim Consolidated Financial Statements

For the six months ended March 31, 2023 and 2022

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed interim consolidated financial statements of Enduro Metals Corporation (the "Company") are the responsibility of the Company's management. The condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect management's best estimates and judgments based on information currently available.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed interim consolidated financial statements prior to their submission to the Board of Directors for approval.

The condensed interim consolidated financial statements as at March 31, 2023, and for the periods ended March 31, 2023 and 2022, have not been audited or reviewed by the Company's independent auditors.

"Cole Evans"
Cole Evans
President & CEO
May 26, 2023

"Malcolm Davidson"
Malcolm Davidson, CPA, CA
Chief Financial Officer
May 26, 2023

ENDURO METALS CORPORATION

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Note	March 31, 2023 (unaudited)	September 30, 2022
ASSETS			
Current assets			
Cash		\$ 1,512,562	\$ 4,027,104
Taxes receivable		28,452	343,182
Exploration advances		50,000	50,000
Due from related parties	7b	205,758	-
Prepaid expenses and deposits		131,383	71,967
Total current assets		1,928,155	4,492,253
Property and equipment	3	117,614	137,231
Right of use asset	4	283,645	321,464
Deposit	5	200,000	200,000
Exploration and evaluation assets	5	28,338,851	27,977,573
Total Assets		\$ 30,868,265	\$ 33,128,521
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		228,768	\$ 1,810,310
Due to related parties	7b	-	30,090
Lease liabilities – current	4	48,193	60,567
Flow-through premium liability	9	774,001	1,015,801
Reclamation provision	10	130,739	130,739
Total current liabilities		1,181,701	3,047,507
Lease liabilities – long term	4	269,779	286,486
Loan payable	8	60,000	60,000
Total Liabilities		1,511,480	3,393,993
Equity			
Share capital	6	57,516,115	57,516,115
Equity reserves	6	4,836,242	4,756,471
Accumulated deficit		(32,995,572)	(32,538,058)
Total Equity		29,356,785	29,734,528
Total Liabilities and Equity		\$ 30,868,265	\$ 33,128,521

Nature and continuance of operations (Note 1)

Approved by the Board of Directors on May 26, 2023:*“Susanne Hermans”*

Susanne Hermans, Director

“Cole Evans”

Cole Evans, Director

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

ENDURO METALS CORPORATION

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Note	Three Months Ended March 31		Six Months Ended March 31	
		2023	2022	2023	2022
EXPENSES					
Amortization and depreciation	3,4	\$ 28,717	\$ 32,266	\$ 57,436	\$ 64,533
Management and consulting fees	7	129,000	99,000	227,004	198,000
Directors fees		-	-	1,800	-
Interest on right of use asset	4	13,116	15,295	26,810	31,040
Corporate communications		62,163	58,977	153,121	150,251
Office and miscellaneous		32,681	1,679	41,709	18,506
Professional fees		8,887	23,032	58,767	66,235
Regulatory and compliance fees		27,904	25,818	46,472	33,594
Share-based payments	6	21,418	1,155	79,771	4,705
Travel		83,170	-	121,743	39,462
Loss before other items		(407,056)	(257,222)	(814,633)	(606,326)
OTHER ITEMS					
Income from flow-through premium	9	74,858	-	241,800	-
Write-off of accounts payable		124,753	-	115,319	-
Net and comprehensive loss		\$ (207,445)	\$ (257,222)	\$ (457,514)	\$ (606,326)
Basic and diluted loss per common share		\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted		240,994,943	213,910,794	240,994,943	209,853,422

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

ENDURO METALS CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholder's Equity

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of shares	Share capital	Equity reserves	Accumulated deficit	Total equity
Balance, September 30, 2021	205,705,886	\$ 48,765,792	\$ 4,788,651	\$ (32,542,286)	\$ 21,012,157
Exercise of warrants	2,195,723	456,640	(15,053)	-	441,587
Exercise of options	250,000	30,000	(21,832)	-	8,168
Exploration and evaluation assets	4,000,000	920,000	-	-	920,000
Share-based payments	-	-	4,705	-	4,705
Net loss and comprehensive loss for the period	-	-	-	(606,326)	(606,326)
Balance, March 31, 2022	212,151,609	50,172,432	4,756,471	(33,148,612)	21,780,291
Private placements	28,333,334	10,020,000	-	-	10,020,000
Share issuance costs	-	(99,484)	-	-	(99,484)
Exercise of warrants	510,000	54,668	-	-	54,668
Exercise of stock options	-	21,832	-	-	21,832
Share-based payments	-	-	-	-	-
Flow-through share premium	-	(2,653,333)	-	-	(2,653,333)
Net income and comprehensive income for the period	-	-	-	610,554	610,554
Balance, September 30, 2022	240,994,943	57,516,115	4,756,471	(32,538,058)	29,734,528
Share-based payments	-	-	79,771	-	79,771
Net loss and comprehensive loss for the period	-	-	-	(457,514)	(457,514)
Balance, March 31, 2023	240,994,943	57,516,115	4,836,242	\$ (32,995,572)	29,356,785

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

ENDURO METALS CORPORATION

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31,

	2023	2022
Cash generated by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (457,514)	\$ (606,326)
Item not affecting cash:		
Amortization	57,436	64,533
Interest on right of use asset	26,810	31,040
Write-off of accounts payable	(115,319)	-
Income from flow-through premium	(241,800)	-
Share-based payments	79,771	4,705
Changes in non-cash working capital items:		
Taxes receivables	314,730	169,014
Prepays expenses and deposits	(59,416)	27,866
Accounts payable and accrued liabilities	148,303	116,671
Due from related parties	(409,576)	(94,159)
Net cash used in operating activities	(656,575)	(286,656)
FINANCING ACTIVITIES		
Proceeds from the exercise of warrants	-	419,756
Proceeds from the exercise of options		30,000
Lease payments	(55,891)	(54,231)
Net cash (used) provided by financing activities	(55,891)	395,525
INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	(1,802,076)	(1,692,393)
Additions to property and equipment	-	(30,681)
Net cash used in investing activities	(1,802,076)	(1,723,074)
Change in cash for the period	(2,514,542)	(1,614,205)
Cash, beginning of period	4,027,104	1,737,224
Cash, end of period	\$ 1,512,562	\$ 123,019
Cash paid during the period for interest	\$ 26,810	\$ 31,040
Cash paid during the period for income taxes	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 13)

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

ENDURO METALS CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2023

1. NATURE AND CONTINUANCE OF OPERATIONS

Enduro Metals Corporation (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on July 20, 2009 and is publicly listed and traded on the TSX Venture Exchange (“TSX-V”) under the symbol ENDR and on the OTC Markets Group Inc under the ticker symbol “ENDMF”, and the Frankfurt Stock Exchange (“FSE”) under the ticker symbol “SOG”. The Company is currently engaged in the identification, acquisition and exploration of precious metal resources in Canada. The Company’s head office and principal place of business is suite 202 – 1632 Dickson Avenue, Kelowna, BC, V1Y 7T2, Canada.

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receiving the continued financial support from related parties, completing sufficient equity financings or generating profitable operations in the future. The Company has not generated revenue from operations and expects to incur further losses in the exploration and evaluation of its mineral properties. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. The condensed interim consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue its business.

These condensed interim consolidated financial statements have been prepared in accordance with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company are primarily funded from financing activities and the issuance of capital stock.

Risks associated with Public Health Crises, including COVID-19

The Company’s business, operations and financial condition could be materially adversely affected by the outbreak of epidemics, pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the current COVID-19 pandemic, and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Company’s operations, and the operations of suppliers, contractors and service providers, including smelter and refining service providers, and the demand for the Company’s production.

The Company may experience business interruptions, including suspended (whether government mandated or otherwise) or reduced operations relating to COVID-19 and other such events outside of the Company’s control, which could have a material adverse impact on its business, operations and operating results, financial condition and liquidity.

As at the date of the condensed interim consolidated financial statements, the duration of the business disruptions internationally and related financial impact of COVID-19 cannot be reasonably estimated. It is unknown whether and how the Company may be affected if the pandemic persists for an extended period of time. In particular, the region in which we operate may not have sufficient public infrastructure to adequately respond or efficiently and quickly recover from such event, which could have a materially adverse effect on the Company’s operations.

The Company’s exposure to such public health crises also includes risks to employee health and safety. Should an employee, contractor, community member or visitor become infected with a serious illness that has the potential to spread rapidly, this could place the Company’s workforce at risk.

ENDURO METALS CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. Accordingly, these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s September 30, 2022, annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

These unaudited condensed interim consolidated financial statements are expressed in Canadian dollars and have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting on a going concern basis. The accounting policies set out below have been applied consistently to all periods presented in these condensed interim consolidated financial statements as if the policies have always been in effect.

Basis of Presentation

The policies applied in the condensed interim consolidated financial statements are presented below as of May 26, 2023, the date the Board of Directors approved the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company, its wholly owned dormant Mexican subsidiary Minera Sierra Gioc SA. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant inter-company transactions and balances have been eliminated upon consolidation.

Estimates, Judgments and Assumptions

The Company’s management makes judgments in its process of applying the Company’s accounting policies to the preparation of its unaudited condensed consolidated interim financial statements. In addition, the preparation of financial data requires that the Company’s management make assumptions and estimates of the impacts on the carrying amounts of the Company’s assets and liabilities at the end of the reporting period from uncertain future events and on the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively.

ENDURO METALS CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**Estimates, Judgments and Assumptions (continued)**

The critical judgments and estimates applied in the preparation of the Company's unaudited condensed consolidated interim financial statements for the six months ended March 31, 2023, are consistent with those applied and disclosed in Note 2 to the Company's audited consolidated financial statements for the year ended September 31, 2022.

Future Accounting Pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not expect any material impact from future accounting pronouncements.

3. PROPERTY AND EQUIPMENT

	Computer Equipment \$	Exploration Equipment \$	Leasehold Improvement \$	Total \$
Cost:				
Balance, September 30, 2021	4,552	165,030		169,582
Additions	-	-	30,681	30,681
Balance, September 30, 2022	4,552	165,030	30,681	200,263
Additions	-	-	-	-
Balance, March 31, 2023	4,552	165,030	30,681	200,263
Accumulated depreciation:				
Balance, September 30, 2021	455	9,150	-	9,605
Additions	819	46,764	5,844	53,427
Balance, September 30, 2022	1,274	55,914	5,844	63,032
Additions	328	16,367	2,922	19,617
Balance, March 31, 2023	1,602	72,281	8,766	82,649
Net Book Value, September 30, 2022	3,278	109,116	24,837	137,231
Net Book Value, March 31, 2023	2,950	92,749	21,915	117,614

4. RIGHT OF USE ASSET AND LEASE LIABILITIES

On October 1, 2021, the Company entered into a 63 month office lease agreement. In analysing the identified agreement, the Company applied the lease accounting model pursuant to IFRS 16 and considered all the facts and circumstances surrounding the inception of the agreement. The lease term matures on December 31, 2026.

ENDURO METALS CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2023

4. RIGHT OF USE ASSET AND LEASE LIABILITIES (continued)

For the period ended March 31, 2023, depreciation of the right of use asset was \$37,819 (2022 - \$37,819). The right of use asset is depreciated on a straight-line basis over which is 63 months.

Right of use asset, October 1, 2021	\$	397,103
Depreciation of right of use asset		(75,639)
Right of use asset, September 30, 2022		321,464
Depreciation of right of use asset		(37,819)
Right of use asset March 31, 2023	\$	283,645

For the period ended March 31, 2023, finance charges on the lease liability were \$26,810 (2022 - \$31,040).

Lease liabilities, October 1, 2021	\$	397,103
Accretion		60,072
Payments		(110,122)
Lease liabilities, September 30, 2022		347,053
Accretion		26,810
Payments		(55,891)
Lease liabilities, March 31, 2023	\$	317,972
Current lease liabilities		48,193
Long-term lease liabilities		269,779
Total lease liabilities at March 31, 2023	\$	317,972

5. EXPLORATION AND EVALUATION ASSETS

Period Ended	Newmont Lake British Columbia, Canada	Total
March 31, 2023		
Acquisition Costs:		
Balance, beginning of period	\$ 4,967,028	\$ 4,967,028
Balance, end of period	4,967,028	4,967,028

ENDURO METALS CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2023

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Period Ended March 31, 2023	Newmont Lake British Columbia, Canada	Total
Balance, beginning of period	23,010,545	23,010,545
Assay	354,883	354,883
Geological consulting and related services	173,463	173,463
Drilling, exploration, and camp costs	386,029	386,029
Supplies	350	350
Travel	7,237	7,237
BC METC Recovery	(560,684)	(560,684)
Balance, end of period	23,371,823	23,371,823
Total	\$ 28,338,851	\$ 28,338,851

Year Ended September 30, 2022	Newmont Lake British Columbia, Canada	Tom Cat Claims, British Columbia, Canada	Total
Acquisition Costs:			
Balance, beginning of year	\$ 2,967,535	\$ 61,036	\$ 3,028,571
Cash payment	1,030,000	-	1,030,000
Shares issued	920,000	-	920,000
Other	49,493	-	49,493
Write off of exploration and evaluation assets		(61,036)	(61,036)
Balance, end of year	4,967,028	-	4,967,028
Deferred Exploration Costs:			
Balance, beginning of year	16,930,403	133,470	17,063,873
Assay	392,037	1,793	393,830
Geological consulting and related services	273,984	12	273,996
Drilling, exploration and camp costs	6,126,506	-	6,126,506
Reclamation provision	116,327	-	116,327
Supplies	90,079	-	90,079
Travel	135,317	-	135,317
BC METC Recovery	(1,054,108)	-	(1,054,108)
Write-off of exploration and evaluation assets	-	(135,275)	(135,275)
Balance, end of year	23,010,545	-	23,010,545
Total	\$ 27,977,573	\$ -	\$ 27,977,573

ENDURO METALS CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2023

5. EXPLORATION AND EVALUATION ASSETS (continued)

Newmont Lake Claims, British Columbia

In September 2018, the Company entered into a letter agreement for an option to acquire a 100% interest in the Newmont Lake mineral property from Romios Gold Resources Inc. (“Romios”). Pursuant to the agreement, the Company has now acquired 100% interest in the property by completing the following:

Completed:

- pay \$250,000 immediately upon signing.
- pay \$250,000 at 90 days following the regulatory approval.
- pay \$250,000 at 180 days following the regulatory approval.
- pay \$250,000 at 270 days following the regulatory approval.
- issue 4,000,000 shares upon the regulatory approval.
- issue 4,000,000 shares on November 29th, 2020.
- issue 4,000,000 shares on November 29th, 2021.
- incur approximately \$3,000,000 of exploration expenditures by February 22nd, 2020.
- incur approximately \$2,500,000 of exploration expenditures by February 22nd, 2021.
- incur approximately \$2,500,000 of exploration expenditures by February 22nd, 2022.
- incur an underlying annual payment of \$30,000.
- pay \$1,000,000 concurrently with the Company vesting 100% interest in the Romios Claims by February 22, 2022.

The claims are subject to a 2% Net Smelter Royalty (“NSR”) held by Romios. Up to 1% of the Net Smelter Royalty (“NSR”) can be bought back by the Company in increments of 0.5% for \$2,000,000 per 0.5% (gross total \$4,000,000 for 1%) for a period of two years upon 100% earn-in of the Romios Claims. The Company will issue 2,000,000 shares to Romios in the event a NI 43-101 compliant resource estimate which exceeds 1,000,000 ounces of gold equivalent resources (being the sum of indicated and inferred) is confirmed/executed. An additional 1,000,000 shares of the Company will be issued to Romios for each additional 1,000,000 ounces of gold equivalent resources (being the sum of indicated and inferred). The shares represent contingent consideration and the Company has assessed the fair value of the contingent consideration to be \$Nil as at the acquisition date and March 31, 2023.

As of March 31, 2023, the Company had \$200,000 (September 30, 2022 - \$200,000) as a deposit with the Ministry of Energy & Mines in connection with future camp reclamation at Newmont Lake.

Tom Cat Claims, British Columbia

The Company owned a 100% interest in certain mining claims, known as the Tom Cat Claims, located in the Nicola Mining District, British Columbia. The claims are subject to a 2% NSR, of which 1% may be purchased for \$2,000,000 for five years from the start of commercial production.

In June 2022, the Company forfeited the Tom Cat Claims. The Company determined that it would continue to focus on the Newmont Lake project and that no further exploration work was warranted in the near future. The accumulated property acquisition costs and deferred exploration costs which totaled \$196,311 were written-off in 2022.

ENDURO METALS CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2023

6. SHARE CAPITAL AND EQUITY RESERVES

During the period ended March 31, 2023, the Company issued no shares.

During the year ended September 30, 2022, the Company:

- i) issued 24,000,000 flow-through shares at price of \$0.365 per share for gross proceeds of \$8,760,000.
- ii) issued 1,000,000 shares at a price of \$0.26 per share for gross proceeds of \$260,000.
- iii) issued 3,333,334 flow-through shares at a price of \$0.30 per share for gross proceeds of \$1,000,000.
- iv) issued 250,000 common shares pursuant to the exercise of stock options for the gross proceeds of \$30,000, and accordingly reallocated \$21,832 of its equity reserve to share capital.
- v) Issued 2,507,723 common shares pursuant to the exercise of warrants for the gross proceeds of \$476,005, and accordingly reallocated \$15,052 of its equity reserve to share capital.
- vi) issued 4,000,000 common shares valued at \$920,000 pursuant to the acquisition of the Newmont Lake Property (Note 5).

Stock Options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

A summary of changes in options is as follows:

	Number of options	Weighted average exercise price
Outstanding September 30, 2021	10,058,000	\$ 0.15
Exercised	(250,000)	0.15
Cancelled/Expired	(538,000)	0.38
Outstanding September 30, 2022	9,270,000	0.14
Issued	1,500,000	0.17
Outstanding March 31, 2023	10,770,000	\$ 0.14

ENDURO METALS CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2023

6. SHARE CAPITAL AND EQUITY RESERVES (continued)

The following stock options were outstanding at March 31, 2023:

Expiry Date	Exercise Price	Number of Options	Number of Options Exercisable
June 1, 2023	\$ 0.23	150,000	150,000
June 24, 2024	\$ 0.35	470,000	470,000
June 17, 2025	\$ 0.12	7,650,000	7,650,000
June 30, 2025	\$ 0.22	1,000,000	1,000,000
November 15, 2027	\$ 0.17	1,500,000	1,500,000
		10,770,000	10,770,000

Share-based payments

On November 15, 2022, the Company granted the President of Company 1,500,000 incentive stock options at an exercise price of \$0.17. The options will expire on November 15, 2027. During the period ended March 31, 2023, the Company recognized \$79,771 (2022 - \$4,705) on options granted and vested throughout the period.

The weighted average fair value of each stock option granted during the period was \$0.14 (September 30, 2022 - \$Nil), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	Period ended March 31, 2023	Year ended September 30, 2022
Volatility	102.77%	-
Risk-free interest rate	3.32%	-
Dividend yield	0.00%	-
Expected life	5.0 years	-
Expected forfeiture rate	0.00%	-

Warrants

A summary of changes in warrants is as follows:

	Number of warrants	Weighted average exercise price
Outstanding September 30, 2021	68,221,423	\$ 0.29
Exercised	(2,705,723)	0.19
Cancelled/Expired	(43,296,700)	0.37
Outstanding September 30, 2022	22,219,000	0.15
Outstanding March 31, 2023	22,219,000	0.15

ENDURO METALS CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2023

6. SHARE CAPITAL AND EQUITY RESERVES (continued)

The following warrants were outstanding at March 31, 2023:

Number of Warrants	Exercise Price	Expiry Date
10,002,000	\$ 0.15	November 19, 2024
12,217,000	\$ 0.15	December 19, 2024
22,219,000		

7. RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

(a) Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and companies controlled by them. The Company also transacts with corporations controlled by officers of the Company for the primary purpose of acquiring exploration and evaluation services. The remuneration of directors and other members of key management personnel during the period ended March 31, 2023, and 2022 were as follows:

	2023	2022
Consulting fees	\$ 157,500	\$ 198,000
Exploration and evaluation expenditures	318,897	57,500
Directors fees	1,800	-
Share-based payments	79,771	-
	\$ 557,968	\$ 255,500

(b) Amounts due to/from related parties

In the normal course of operations, the Company transacts with corporations controlled by directors or officers of the Company. All amounts payable and receivable are non-interest bearing, unsecured and due on demand and also include amounts advanced for services to be rendered. The following table summarizes the amounts due to / (from) related parties:

	March 31, 2023	September 30, 2022
HEG & Associates Exploration Services	\$ (169,446)	\$ 88,402
Directors and Management (Current)	(36,313)	(34,584)
Directors (Former)	-	(23,728)
	\$ (205,758)	\$ 30,090

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8. LOAN PAYABLE

During the year ended September 30, 2021, the Company received an additional \$20,000 loan from the Canada Emergency Business Account to provide emergency support to businesses due to the impact of COVID-19. The total loan of \$60,000 is non-interest bearing until December 31, 2023, after which it will incur interest at 5% per annum. If the principal of \$40,000 is fully repaid on or before December 31, 2023, the remaining \$20,000 will be forgiven.

9. FLOW-THROUGH PREMIUM LIABILITY

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a share at issuance date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

Funds raised through the issuance of flow-through shares are required to be expended on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

On May 19, 2022, the Company issued 3,333,334 flow-through shares at a purchase price of \$0.30 per flow-through share for gross proceeds of \$1,000,000. The flow-through shares were issued at a premium of \$0.04 per share. As a result, a flow-through premium liability of \$133,333 was recorded.

On May 19, 2022, the Company issued 24,000,000 flow-through shares at a purchase price of \$0.365 per flow-through share for gross proceeds of \$8,760,000. The flow-through shares were issued at a premium of \$0.105 per share. As a result, a flow-through premium liability of \$2,520,000 was recorded.

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability:

	Flow-through funding and expenditure requirements	Flow-through premium liability
	\$	\$
Balance, September 30, 2021	-	-
Flow-through funds raised and premium recorded as liability	9,760,000	2,653,333
Flow-through expenditures incurred and reduction of liability	(6,232,596)	(1,637,532)
Balance, September 30, 2022	3,527,404	1,015,801
Flow-through expenditures incurred and reduction of liability	(836,830)	(241,800)
Balance, March 31, 2023	2,690,574	774,001

The reduction in the flow-through share premium liability is recorded in other income upon incurring flow through eligible expenditures.

10. RECLAMATION PROVISION

During the year ended September 30, 2022, the Company incurred a reclamation liability in connection with the completion of the option agreement with Romios Gold Resources Inc. (Note 5). The initial undiscounted value of the obligation was \$232,653 and during the year ended September 30, 2022, the Company completed \$101,914 of work reducing the estimated balance to \$130,739. No work was completed during the period ended March 31, 2023. The Company intends to complete its reclamation obligation before the end of this fiscal year ending September 30, 2023.

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10. RECLAMATION PROVISION (continued)

A reconciliation of the changes in the Company's reclamation provision is as follows:

Reclamation obligation assumed on acquiring Newmont after the option completed	\$	232,653
Reclamation work completed during the period		(101,914)
Balance at September 30, 2022		130,739
Reclamation work completed during the period		(-)
Balance at March 31, 2023	\$	130,739

11. CAPITAL MANAGEMENT

The Company's primary objectives in capital management is to safeguard the Company's ability to continue as a going concern in order to provide a return for shareholders and to maintain sufficient funds to finance its exploration and evaluation interests. Capital is comprised of the Company's shareholders' equity. As at March 31, 2023, the Company's shareholders' equity was \$29,356,785 (September 30, 2022 – \$29,734,528).

The Company manages its capital structure to maximize its financial flexibility by making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities.

The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended March 31, 2023.

12. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

The carrying value of the Company's receivables, accounts payable and accrued liabilities, due to related parties, and loans payable approximate their fair value because of the short-term nature of these instruments. Cash is carried at a fair value using a level 1 fair value measurement. Loans payable are accounted for using the effective interest rate method.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's management believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At March 31, 2023, the Company had a cash balance of \$1,512,562 (September 30, 2022 - \$4,027,104) to settle current liabilities of \$1,181,701, inclusive of \$774,001 flow-through premium liability, (September 30, 2022 - \$3,047,507, flow-through premium liability - \$1,015,801).

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12. FINANCIAL RISK FACTORS (continued)

All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company expects to fund these liabilities through the use of existing cash resources and additional equity financing.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances held with financial institutions. The Company is satisfied with the credit rating of its bank.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency.

As at March 31, 2023, the Company had minimal cash amounts in foreign currencies and considers foreign currency risk insignificant.

c) Price risk

The Company's net income or loss, and ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in mineral prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended March 31, 2023, include the Company:

- i) had an accounts payable balance of \$167,732 related to exploration and evaluation asset expenditures.
- ii) had an accounts payable balance of \$83,432 related to equipment.
- iii) had \$115,319 expense recovery relating to accounts payable write-offs.

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13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (continued)

Significant non-cash transactions during the year ended September 30, 2022, include the Company:

- i) had an accounts payable balance of \$1,758,560 related to exploration and evaluation asset expenditures.
- ii) had an accounts payable balance of \$83,432 related to equipment.
- iii) transferred \$15,053 from equity reserve to share capital upon exercise of warrants.
- iv) transferred \$21,832 from equity reserve to share capital upon exercise of stock options.
- v) recorded \$397,103 right of use asset and lease liabilities upon entering a finance lease.
- vi) issued 4,000,000 common shares at a value of \$920,000 in connection with the acquisition of exploration and evaluation asset.

14. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration of exploration and evaluation assets in Canada. The Company's total equipment and exploration and evaluation assets at March 31, 2023 were \$28,338,851 (September 30, 2022 - \$27,977,573).