



Cleghorn Minerals Ltd.

Interim Condensed Financial Statements

For the three-month and nine-month periods ended on December 31, 2022 and 2021
(in Canadian dollars)

INTERIM CONDENSED FINANCIAL STATEMENTS

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Notice to Reader

The accompanying unaudited interim condensed financial statements of Cleghorn Minerals Ltd. (the "Company") for the three-month and nine-month periods ended on December 31, 2022 and 2021 have been prepared by the management and are its responsibility. These unaudited interim condensed financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's Board of Directors. These unaudited interim condensed financial statements have not been reviewed by the Company's auditors.

Cleghorn Minerals Ltd.

Interim Condensed Statements of Financial Position

As at December 31, 2022 and March 31, 2022

(Unaudited - in Canadian dollars)

	Notes	December 31, 2022 \$	March 31, 2022 \$
Assets			
Current assets			
Cash		41,797	122,614
Sales taxes receivable		2,186	2,591
Prepaid expenses		7,309	8,204
		<u>51,292</u>	<u>133,409</u>
Non-current assets			
Exploration and evaluation assets	4	<u>1,103,794</u>	<u>1,103,794</u>
Total assets		<u>1,155,086</u>	<u>1,237,203</u>
Equity			
Share capital	5	2,337,682	2,337,682
Contributed surplus	6	610,601	511,018
Warrants	5	-	26,383
Deficit		<u>(1,793,197)</u>	<u>(1,637,880)</u>
Total equity		<u>1,155,086</u>	<u>1,237,203</u>
Total liabilities and equity		<u>1,155,086</u>	<u>1,237,203</u>
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Nature of operations and going concern	1		

These interim condensed financial statements were approved and authorized for issue by the Board of Directors on January 20, 2023.

Signed: "Glenn J. Mullan" _____ Director

Signed: "Joseph Groia" _____ Director

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

Cleghorn Minerals Ltd.

Interim Condensed Statements of Loss and Comprehensive Loss

For the three-month and nine-month periods ended on December 31, 2022 and 2021

(Unaudited - in Canadian dollars)

	Notes	Three-month periods ended		Nine-month periods ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		\$	\$	\$	\$
Operating expenses					
Accounting fees		7,500	7,500	22,500	22,500
Audit fees		-	-	15,600	22,360
Legal fees		385	417	13,590	11,982
Regulatory and transfer agent fees		4,623	4,602	14,094	14,209
Office expenses and other		7,077	4,892	15,003	14,137
Shareholder's information		-	-	1,330	855
Stock-based compensation	6	-	-	73,200	-
Net loss and comprehensive loss		(19,585)	(17,411)	(155,317)	(86,043)
Basic and diluted net loss per common share		(0.001)	(0.001)	(0.005)	(0.003)
Weighted average number of common shares outstanding		29,408,618	29,408,618	29,408,618	29,408,618

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

Cleghorn Minerals Ltd.

Interim Condensed Statements of Changes in Equity

For the nine-month periods ended on December 31, 2022 and 2021

(Unaudited - in Canadian dollars)

		Share capital		Warrants	Contributed surplus	Deficit	Total
		Number	\$	\$	\$	\$	\$
Balance – April 1st, 2021		29,408,618	2,337,682	269,614	267,787	(1,532,761)	1,342,322
Expired warrants	5	-	-	(243,231)	243,231	-	-
Net loss and comprehensive loss		-	-	-	-	(86,043)	(86,043)
Balance – December 31, 2021		29,408,618	2,337,682	26,383	511,018	(1,618,804)	1,256,279
Balance – April 1st, 2022		29,408,618	2,337,682	26,383	511,018	(1,637,880)	1,237,203
Expired warrants	5	-	-	(26,383)	26,383	-	-
Stock-based compensation	6	-	-	-	73,200	-	73,200
Net loss and comprehensive loss		-	-	-	-	(155,317)	(155,317)
Balance – December 31, 2022		29,408,618	2,337,682	-	610,601	(1,793,197)	1,155,086

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

Cleghorn Minerals Ltd.

Interim Condensed Statements of Cash Flows

For the three-month and nine-month periods ended on December 31, 2022 and 2021

(Unaudited - in Canadian dollars)

	Notes	Three-month periods ended		Nine-month periods ended	
		December 31, 2022 \$	December 31, 2021 \$	December 31, 2022 \$	December 31, 2021 \$
Operating activities					
Net loss for the period		(19,585)	(17,411)	(155,317)	(86,043)
Items not affecting cash					
Stock-based compensation	6	-	-	73,200	-
		(19,585)	(38,890)	(82,117)	(86,043)
Change in non-cash working capital items					
Sales taxes receivable		2,237	2,070	405	942
Prepaid expenses		3,057	4,304	895	350
Accounts payable and accrued liabilities		(78)	(576)	-	(271)
		5,216	5,798	1,300	1,021
Net cash related to operating activities and decrease in cash for the period		(14,369)	(11,613)	(80,817)	(85,022)
Cash – Beginning of period		56,166	154,888	122,614	228,297
Cash – End of period		41,797	143,275	41,797	143,275

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

Cleghorn Minerals Ltd.

Notes to Interim Condensed Financial Statements

December 31, 2022 and 2021 and March 31, 2022

(Unaudited - in Canadian dollars)

1 Nature of operations and going concern

Cleghorn Minerals Ltd., incorporated on February 16, 2010 under the Business Corporations Act of British Columbia (the "Company") is involved in the process of exploring, evaluating and promoting its mineral property and other projects. The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Québec, Canada. The Company's registered and records office is located at #1810 - 1111 West Georgia Street, Vancouver, B.C. V6E 4M3. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-D'Or, Quebec, J9P 0B9.

The Company's shares, which are listed on the TSX Venture Exchange ("TSX-V"), are trading under the symbol "CZZ".

Going concern assumption

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and the basis of the going concern assumption, which presumes the Company will continue its operations and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business for the foreseeable future. The use of these principles may not be appropriate. The Company is in its early stages, and as is common with similar companies, it raises financing for its exploration and evaluation activities. During the nine-month period ended December 31, 2022, the Company has incurred a net loss and comprehensive loss of \$155,317 (for the year ended March 31, 2022 – \$105,119) and has an accumulated deficit of \$1,793,197 (March 31, 2022 – \$1,637,880). To date, the Company has financed its cash requirements primarily by issuing common shares or units. The Company's ability to continue as a going concern is subject to its ability to raise additional financing or reduce its expenditure levels. The Company's discretionary activities do have some scope for flexibility in terms of the amount and timing of expenditures, and to a certain extent, expenditures may be adjusted accordingly. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, that such sources of funding will be available to the Company or that they will be available on terms acceptable to the Company. These material uncertainties cast significant doubt regarding the ability to continue as a going concern.

The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

2 Basis of presentation

These interim condensed financial statements, approved by the Board of Directors on October 13, 2022, 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". These interim condensed financial statements as well as the related notes should be read in conjunction with the audited financial statements of the Company as at March 31, 2022.

Cleghorn Minerals Ltd.

Notes to Interim Condensed Financial Statements

December 31, 2022 and 2021 and March 31, 2022

(Unaudited - in Canadian dollars)

3 Significant accounting policies

The significant accounting policies that have been applied in the preparation of these interim condensed financial statements are summarized in Note 3 of the Company's annual audited financial statements for the year ended March 31, 2022.

4 Exploration and evaluation assets

Meech Lake Matachewan Prospect

The Company owns a 100% interest in the Meech Lake Matachewan Prospect which consists of four (4) mining claims situated in the Argyle, McNeil and Robertson Townships, approximately 25 km Northwest of Matachewan, in Northeastern Ontario within the Abitibi Greenstone Belt. Following the MLAS claim to cell conversion process completed by Ontario's Ministry of Northern Development and Mines (MNDM), the four (4) original legacy claims were converted to 41 cells (36 single cells and 5 boundary cells).

The Company also owns a 100% interest in 142 mineral claims known as the Sprague and Odie. The Sprague prospect is located directly adjacent to the northeast corner of the Meech Lake Matachewan prospect and the Odie prospect is located directly adjacent to the southwest corner of the Meech Lake Matachewan prospect. These two properties are considered to be an extension of the Meech Lake Matachewan prospect and are together referred to herein as the Meech Lake Matachewan prospect.

The Meech Lake Matachewan prospect is comprised of 183 cells (178 single cells and 5 boundary cells) covering a total area of 3,892.3 hectares.

Three (3) of the original mining claims are subject to a 3% NSR on metals or minerals (iron, titanium, vanadium, gold, silver, copper, zinc and any and all other minerals or elements) produced from the property. The Company shall be entitled to repurchase 0.5% of the NSR, leaving the vendor with a 2.5% NSR, by paying to the vendor \$1,000,000 and an additional 1%, leaving the vendor with a 1.5% NSR, by paying the vendor an additional \$3,000,000.

As part of a prospecting funding application, the Company signed, on September 13, 2016, a funding and royalty agreement with Ontario Exploration Corporation under which the Company granted a 0.5% NSR on its Meech Lake Prospect in consideration of \$10,000 in cash.

The royalty agreement has a buyback clause which provides that the Company can purchase one-half of the 0.5% royalty for a dollar value that increases over time, ranging from a purchase price of \$15,000 before the second anniversary of the date of the agreement to a purchase price of \$250,000 from the 11th anniversary of the agreement and beyond.

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Notes to Interim Condensed Financial Statements

December 31, 2022 and 2021 and March 31, 2022

(Unaudited - in Canadian dollars)

The following table presents a summary of exploration and evaluation assets:

	March 31, 2021 \$	Activity \$	March 31, 2022 \$	Activity \$	December 31, 2022 \$
Meech Lake Matachewan Prospect (Ontario)					
Acquisition costs and claim maintenance fees	518,826	-	518,826	-	518,826
Drilling	374,360	-	374,360	-	374,360
Sampling & testing	63,603	-	63,603	-	63,603
Geophysics	42,585	-	42,585	-	42,585
Line cutting	39,955	-	39,955	-	39,955
Geology	34,237	-	34,237	-	34,237
Technical & field consultants	13,174	-	13,174	-	13,174
Maps & publications	10,676	-	10,676	-	10,676
General expenses	9,359	-	9,359	-	9,359
Geochemistry	2,358	-	2,358	-	2,358
Stock-based compensation	4,661	-	4,661	-	4,661
Proceeds from the sale of a 0.5% NSR	(10,000)	-	(10,000)	-	(10,000)
Total E&E assets	1,103,794	-	1,103,794	-	1,103,794

5 Share capital

Authorized

Unlimited number of voting common shares without par value.

Warrants

The following table shows the changes in warrants:

	December 31, 2022		March 31, 2022	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Outstanding – Beginning of period	6,450,000	0.10	12,631,674	0.11
Expired	(750,000)	0.10	(6,181,674)	0.13
Outstanding and exercisable – End of period	5,700,000	0.10	6,450,000	0.10

Cleghorn Minerals Ltd.

Notes to Interim Condensed Financial Statements

December 31, 2022 and 2021 and March 31, 2022

(Unaudited - in Canadian dollars)

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

		December 31, 2022
Expiration date	Exercise price \$	Number of warrants outstanding
March 5, 2023	0.10	<u>5,700,000</u>

6 Stock options

The Company has adopted an incentive stock option plan in accordance with the policies of the TSX-V (the "Stock Option Plan") pursuant to which it has granted options to purchase common shares to directors, officers and technical consultants. The options will be exercisable at the price set by the Company's board of directors and for a period of up to ten years from the date of grant, provided that the number of common shares reserved for issuance under the Share Option Plan does not exceed ten percent (10%) of the issued and outstanding common shares of the Company on the date of grant, provided that the option exercise price is not to be lower than permitted under the policies of the TSX-V.

The following table shows the changes in stock options:

	December 31, 2022		March 31, 2022	
	Number of stock options	Weighted average exercise price \$	Number of stock options	Weighted average exercise price \$
Outstanding – Beginning of period	1,590,861	0.09	1,590,861	0.09
Granted	1,220,000	0.10	-	-
Outstanding – End of period	<u>2,810,861</u>	<u>0.09</u>	<u>1,590,861</u>	<u>0.09</u>

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December 31, 2022 and 2021 and March 31, 2022

(Unaudited - in Canadian dollars)

The number of outstanding stock options that could be exercised for an equal number of common shares is as follows:

		December 31, 2022
Expiry date	Exercise price \$	Number outstanding
September 6, 2024	0.06	370,861
September 4, 2025	0.10	1,220,000
September 9, 2027	0.10	1,220,000
		<u>2,810,861</u>

The fair value of stock options granted was determined using the Black & Scholes valuation model based on the following weighted average assumptions:

	Nine-month period ended December 31, 2022	Year ended March 31, 2022
Weighted average price at the grant date	\$0.07	-
Weighted average exercise price	\$0.10	-
Expected dividend	-	-
Expected average volatility	128%	-
Risk-free average interest rate	3.58%	-
Expected average life	5 years	-
Weighted fair value per share option	\$0.06	-

An expense for stock-based compensation of \$73,200 was recognized in the interim condensed statement of loss and comprehensive loss during the nine-month period ended December 31, 2022 (for the nine-month period ended December 31, 2021 – nil).