



**Condensed Consolidated Financial Statements**  
For the Period Ended June 30, 2023 and 2022

## **Notice of No Auditor Review of Interim Financial Statements**

Under National Instrument 51-102, "Continuous Disclosure Obligations", 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 Corporation's external auditors have not performed a review of these financial statements.

**VULCAN MINERALS INC.**

June 30, 2023

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**VULCAN MINERALS INC.**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**  
**As at**

(in Canadian dollars)	June 30 2023	December 31 2022
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	6,221,769	6,148,762
Accounts receivable	57,032	154,130
Prepaid expenses	6,179	10,615
	<b>6,284,980</b>	6,313,507
Investments (Note 4)	511,989	650,893
Investment in associates (Note 5)	38,926,150	39,455,425
Exploration and evaluation assets (Note 6)	1,529,696	1,293,728
Capital assets (Note 7)	19,015	20,947
<b>Total Assets</b>	<b>47,271,830</b>	47,734,500
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	272,222	137,981
	<b>272,222</b>	137,981
Loan (Note 8)	30,000	30,000
Deferred income tax liability	3,717,157	3,957,119
	<b>4,019,379</b>	4,125,100
<b>Equity (Note 9)</b>		
Shareholders' equity	43,252,451	43,609,400
	<b>43,252,451</b>	43,609,400
<b>Total Liabilities and Equity</b>	<b>47,271,830</b>	47,734,500

Contingencies (Note 15)  
Subsequent events (Note 16)

Approved on Behalf of the Board of Directors

Patrick J. Laracy **Director**

Carson Noel **Director**

**VULCAN MINERALS INC.**  
**Condensed Consolidated Statements of Loss**  
**(Unaudited)**

(in Canadian dollars)	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Income (Expenses)</b>				
Gain on sale of mineral property (Note 6)	-	1,051,400	-	1,051,400
Income from option payments (Note 6)	-	-	131,399	192,892
Interest income	62,389	15,213	117,081	20,885
Dilution gain (loss) (Note 5)	(370,252)	(569,032)	234,795	(979,542)
Share-based compensation (Note 10)	-	(132,509)	-	(577,936)
General and administrative (Note 11)	(161,048)	(123,939)	(300,094)	(276,865)
Loss from equity accounted investments (Note 5)	(580,272)	(296,420)	(764,070)	(353,779)
Director's fees	(20,000)	(20,000)	(20,000)	(20,000)
Depreciation	(1,609)	(1,546)	(3,218)	(1,853)
Government assistance (Note 8)	-	(364)	-	(719)
<b>Loss before income taxes</b>	<b>(1,070,792)</b>	<b>(77,197)</b>	<b>(604,107)</b>	<b>(945,517)</b>
Deferred income tax expense	291,302	(251,476)	212,353	(182,126)
<b>Net loss</b>	<b>(779,490)</b>	<b>(328,673)</b>	<b>(391,754)</b>	<b>(1,127,643)</b>
Net loss per share - basic	(0.007)	(0.003)	(0.003)	(0.010)
Net loss per share - diluted	(0.007)	(0.003)	(0.003)	(0.010)
Weighted-average number of common shares outstanding - basic	117,039,430	111,594,249	116,710,895	111,514,008
Weighted-average number of common shares outstanding - diluted	117,039,430	111,594,249	116,710,895	111,514,008

See accompanying notes to the condensed consolidated financial statements

**VULCAN MINERALS INC.**  
**Condensed Consolidated Statements of Comprehensive Loss**  
**(Unaudited)**

(in Canadian dollars)	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Net loss</b>	<b>(779,490)</b>	<b>(328,673)</b>	<b>(391,754)</b>	<b>(1,127,643)</b>
Other comprehensive loss:				
Items that may subsequently be reclassified to profit or loss				
Change in fair value on investments classified as FVOCI, net of taxes	<b>(177,779)</b>	<b>(179,302)</b>	<b>(187,258)</b>	<b>(365,013)</b>
	<b>(177,779)</b>	<b>(179,302)</b>	<b>(187,258)</b>	<b>(365,013)</b>
<b>Comprehensive loss</b>	<b>(957,269)</b>	<b>(507,975)</b>	<b>(579,012)</b>	<b>(1,492,656)</b>

See accompanying notes to the condensed consolidated financial statements

**VULCAN MINERALS INC.**  
**Condensed Consolidated Statements of Changes in Equity**  
**(Unaudited)**

(in Canadian dollars)	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Shareholders' Equity
	\$	\$	\$	\$	\$	\$
	(Note 9)	(Note 9)	(Note 9)			
<b>Balance, December 31, 2021</b>	<b>23,149,820</b>	<b>2,234,614</b>	<b>3,237,906</b>	<b>(61,258)</b>	<b>16,545,883</b>	<b>45,106,965</b>
Net loss and comprehensive loss						
January 1, 2022 - June 30, 2022	-	-	-	(365,013)	(1,127,643)	(1,492,656)
Adjustment for change in ownership in associate	-	-	-	-	15,538	15,538
Exercise of options	30,030	-	(10,030)	-	-	20,000
Exercise of warrants	151,041	(66,292)	-	-	-	84,749
Share issuance costs, net of taxes	(4,621)	-	-	-	-	(4,621)
Share-based compensation capitalized to exploration and evaluation assets	-	-	10,976	-	-	10,976
Share-based compensation	-	-	577,935	-	-	577,935
<b>Balance, June 30, 2022</b>	<b>23,326,270</b>	<b>2,168,322</b>	<b>3,816,787</b>	<b>(426,271)</b>	<b>15,433,778</b>	<b>44,318,886</b>
Net loss and comprehensive loss						
July 1, 2022 - December 31, 2022	-	-	-	(566,776)	(1,627,609)	(2,194,385)
Exercise of options	202,525	-	(140,025)	-	-	62,500
Exercise of warrants	1,107,269	18,931	-	-	-	1,126,200
Issuance of shares for purchase of mineral exploration and evaluation assets	30,000	-	-	-	-	30,000
Share issuance costs, net of taxes	(6,251)	-	-	-	-	(6,251)
Share-based compensation capitalized to exploration and evaluation assets	-	-	6,458	-	-	6,458
Share-based compensation	-	-	265,992	-	-	265,992
<b>Balance, December 31, 2022</b>	<b>24,659,813</b>	<b>2,187,253</b>	<b>3,949,212</b>	<b>(993,047)</b>	<b>13,806,169</b>	<b>43,609,400</b>
Net loss and comprehensive loss						
January 1, 2023 - June 30, 2023	-	-	-	(187,258)	(391,754)	(579,012)
Exercise of options	3,725	-	(1,225)	-	-	2,500
Exercise of warrants	278,594	(53,594)	-	-	-	225,000
Share issuance costs, net of taxes	(5,437)	-	-	-	-	(5,437)
<b>Balance, June 30, 2023</b>	<b>24,936,695</b>	<b>2,133,659</b>	<b>3,947,987</b>	<b>(1,180,305)</b>	<b>13,414,415</b>	<b>43,252,451</b>

See accompanying notes to the condensed consolidated financial statements

**VULCAN MINERALS INC.**  
**Condensed Consolidated Statements of Cash Flows**  
**Period Ended**  
**(Unaudited)**

(in Canadian dollars)	June 30 2023	December 31 2022
		\$
<b>Operating Activities</b>		
Net loss	(391,754)	(2,755,252)
Adjustment for non cash items:		
Dilution (gain) loss	(234,795)	2,749,853
Income from equity accounted investments	764,070	231,605
Deferred option payments and investment in unrelated companies	(81,400)	(1,110,391)
Shares received on distribution of spin out	-	(367,498)
Shares issued in exchange for exploration and evaluation assets	-	30,000
Interest accretion on loan	-	1,457
Deferred income tax liability	(212,353)	47,239
Share-based compensation	-	843,927
Depreciation	3,218	5,834
	(153,014)	(323,226)
Changes in non-cash working capital		
Accounts receivable	97,098	(30,824)
Prepaid expenses	4,436	(1,033)
Accounts payable and accrued liabilities	134,241	36,824
	82,761	(318,259)
<b>Financing Activities</b>		
Cash received upon exercise of options	2,500	82,500
Cash received upon exercise of warrants	225,000	1,210,950
	227,500	1,293,450
<b>Investing Activities</b>		
Exploration and evaluation expenditures	(235,968)	(366,587)
Refunds on exploration and evaluation assets	-	9,050
Deposits on exploration and evaluation assets	-	(62,331)
Sale of mineral property	-	158,600
Purchase of capital assets	(1,286)	(14,322)
	(237,254)	(275,590)
Net change in cash and cash equivalents for the year	73,007	699,601
Cash and cash equivalents, beginning of period	6,148,762	5,449,161
<b>Cash and cash equivalents, end of period</b>	<b>6,221,769</b>	<b>6,148,762</b>

See accompanying notes to the condensed consolidated financial statements



## VULCAN MINERALS INC.

### Notes to the Condensed Consolidated Financial Statements

June 30, 2023

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#### 1. NATURE OF OPERATIONS

Vulcan Minerals Inc. is engaged in the evaluation, acquisition and exploration of mineral properties in Newfoundland and Labrador. The Company plans to ultimately develop the properties as joint ventures, bring them into production, option or lease properties to third parties, or sell the properties outright. The Company is in the exploration stage on most of its projects. The Company is a publicly traded company, incorporated under the laws of the Province of Alberta, Canada. Its registered address is 333 Duckworth Street, St. John's, NL A1C 1G9.

#### 2. BASIS OF PRESENTATION

The Company prepares its condensed consolidated financial statements with Canadian generally accepted accounting principles ("GAAP") as set out in the Canadian Professional Accountants of Canada Handbook – Accounting – Part I ("CPA Canada Handbook") which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated financial statements have been prepared on an historical cost basis, except for investments which are measured at fair value.

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations, over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Intercompany transactions and balances are eliminated upon consolidation. They are deconsolidated from the date that control by the Company ceases. Any retained interest is measured to its fair value with the change in carrying amount recognized in income or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or joint venture.

As of June 30, 2023 and 2022, the subsidiaries (both inactive) of the Company are as follows:

<b>Subsidiaries</b>	<b>2023</b>	<b>2022</b>
Devonian Resources Inc.	100%	100%
London Resources Inc.	100%	100%

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The accounting policies used in preparing these unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the Company's annual financial statements.

**VULCAN MINERALS INC.**  
**Notes to the Condensed Consolidated Financial Statements**  
**June 30, 2023**

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A summary of the Company's significant accounting policies under IFRS is presented in Note 5 to the year-end financial statements, December 31, 2022.

These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on August 28, 2023.

**3. NEW OR AMENDMENTS TO ACCOUNTING STANDARDS NOT YET ADOPTED**

For the period ended June 30, 2023, there have been no accounting pronouncements by the IASB that would have a material impact on the Company's financial results or position.

Amendments to IAS 1, Presentation of Financial Statements, is effective for years beginning with January 1, 2023. The amendments clarify how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. There is no material impact on its condensed consolidated financial statements during 2023.

**4. INVESTMENTS**

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	<b>June 30 2023</b>	<b>December 31 2022</b>
	<b>\$</b>	<b>\$</b>
Investments	<b>511,989</b>	650,893

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Investments classified as fair value through other comprehensive income consist of: shares in public companies received as consideration for option payments on mineral claims with an initial value of \$1,083,303 (December 31, 2022 – \$1,001,904). Shares were also received as consideration for the sale of mineral claims with an initial value of \$960,000 (December 31, 2022 - \$960,000). At June 30, 2023, the market value of the shares is \$511,989 (December 31, 2022 – \$650,893).

**5. INVESTMENT IN ASSOCIATES**

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	<b>June 30 2023</b>	<b>December 31 2022</b>
	<b>\$</b>	<b>\$</b>
Investment in Atlas Salt Inc.	<b>38,446,737</b>	38,988,798
Investment In Triple Point Resources Ltd.	<b>479,413</b>	466,627
	<b>38,926,150</b>	39,455,425

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**VULCAN MINERALS INC.****Notes to the Condensed Consolidated Financial Statements**

June 30, 2023

**Atlas Salt Inc.**

On October 31, 2021, as a result of the deconsolidation of Atlas Salt, an equity investment of was recorded based on the fair value of the shares held on that date. At that date the Company's ownership in Atlas Salt was 37.44%. Management has determined that its investment in the common shares of Atlas Salt gives it significant influence over Atlas Salt. As a result, the Company applied the equity method of accounting for its investment in Atlas Salt. Subsequent to the deconsolidation, the Company's ownership decreased to 30.52% as of June 30, 2023 (December 31, 2022 – 32.97%). A dilution gain of \$190,102 was recorded in 2023 resulting from the increase in equity offset by a decrease in ownership in Atlas Salt during the year and recorded a dilution loss of \$2,866,718 in 2022 resulting from the decrease in ownership.

The continuity of the Company's investment in Atlas Salt common shares is as follows:

	June 30 2023	December 31 2022
	\$	\$
Balance, beginning of year	38,988,798	42,069,385
Share of income and comprehensive income	(732,163)	(213,869)
Dilution gain (loss)	190,102	(2,866,718)
Investment in Atlas Salt	38,446,737	38,988,798

The fair value of the Company's investment in Atlas Salt as at June 30, 2023 was \$38,136,120 (December 31, 2022 - \$58,070,910).

The following summarized financial information of Atlas Salt as at June 30, 2023 and December 31, 2022 and for the period ended June 30, 2023 and December 31, 2022, including fair value adjustments made at the time of recognition of the interest, is as follows:

	June 30 2023	December 31 2022
	\$	\$
<b>Balance Sheet</b>		
Current assets	15,516,397	9,777,270
Non-current assets	47,110,310	45,213,191
Current liabilities	1,277,619	1,090,439
Non-current liabilities	135,348	144,720
Equity	61,213,740	53,755,302
<b>Net loss and comprehensive loss</b>		
Income	497,589	1,628,863
Net loss and comprehensive loss	3,345,186	2,453,060

**VULCAN MINERALS INC.****Notes to the Condensed Consolidated Financial Statements**

June 30, 2023

**Triple Point Resources Ltd. (“Triple Point”)**

On September 22, 2022, Atlas Salt closed the Triple Point spin-out through a Plan of Arrangement. As part of the Arrangement, Atlas Salt distributed 23,747,026 common shares of Triple Point that it received under the Arrangement to holders of common shares of Atlas Salt on a pro rata basis, such that Atlas Salt shareholders as of the Record Date received one share of Triple Point for every 3.68 shares owned of Atlas.

Vulcan received 7,832,350 shares of Triple Point as a result of this spin-out at a deemed price of \$0.05 per share. An equity investment of \$367,498 was recorded based on the fair value of the shares held on that date. At that date the Company’s ownership in Triple Point was 10.27%. Management has determined that its investment in the common shares of Triple Point along with some common directors, gives it significant influence over Triple Point. As a result, the Company applied the equity method of accounting for its investment in Triple Point.

The continuity of the Company’s investment in Triple Point common shares is as follows:

	June 30 2023	December 31 2022
	\$	\$
Balance beginning of year	466,627	-
Balance as of September 22, 2022	-	367,498
Share of income and comprehensive income	(31,907)	(17,736)
Dilution gain	44,693	116,865
Investment in Triple Point	479,413	466,627

The following summarized financial information of Triple Point as at June 30, 2023 and December 31, 2022 and for the period ended June 30, 2023 and December 31, 2022, including fair value adjustments made at the time of recognition of the interest, is as follows:

	June 30 2023	December 31 2022
	\$	\$
<b>Balance Sheet</b>		
Current assets	5,302,913	5,054,782
Non-current assets	940,286	703,993
Current liabilities	94,461	86,231
Equity	6,148,738	5,672,544
	January 1 – June 30, 2023	September 22 – December 31, 2022
<b>Net loss and comprehensive loss</b>		
Income	-	-
Net loss and comprehensive loss	409,227	215,606

**VULCAN MINERALS INC.**  
**Notes to the Condensed Consolidated Financial Statements**  
**June 30, 2023**

**6. EXPLORATION AND EVALUATION ASSETS**

The Company has 34 mineral licences (December 31, 2022 - 34) which consist of 2,129 claims (December 31, 2022 – 2,129), which are active and in good standing with the Department of Natural Resources in the Province of Newfoundland and Labrador. These licences are in the exploration and evaluation stage. As of June 30, 2023, 12 of these licences consisting of 624 claims are optioned to Sassy Resources Corporation (these have since been assigned to Gander Gold Corporation) and 3 licences consisting of 30 claims are optioned to Fjordland Exploration Inc.

A summary of the exploration and evaluation assets is as follows:

	<b>June 30, 2023</b>			
	<b>Balance, Beginning of Year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance, End of Period</b>
	\$	\$	\$	\$
Mineral properties property acquisition costs	139,949	-	-	139,949
Exploration costs	1,288,671	235,968	-	1,524,639
Deferred option payments	(134,892)	-	-	(134,892)
	<b>1,293,728</b>	<b>235,968</b>	<b>-</b>	<b>1,529,696</b>

  

	<b>December 31, 2022</b>			
	<b>Balance, Beginning of Year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance, End of Year</b>
	\$	\$	\$	\$
Mineral properties property acquisition costs	245,267	53,282	(158,600)	139,949
Exploration costs	889,114	399,557	-	1,288,671
Deferred option payments	(134,892)	-	-	(134,892)
	<b>999,489</b>	<b>452,839</b>	<b>(158,600)</b>	<b>1,293,728</b>

Current year additions to mineral exploration costs include share-based compensation of \$nil (December 31, 2022 – \$17,434).

In February 2021, the Company entered into an option agreement with Sassy Gold Corp. (previously Sassy Resources Corporation) (“Sassy”) in relation to the Company's Gander Belt Gold mineral property (624 claims). Sassy has an option to earn a 100% interest in the property over a four-year period by incurring exploration expenditures of \$2,000,000 (\$200,000 in year 2021) and by making option payments of 2,500,000 common shares, and \$400,000 cash (\$100,000 upon signing). As at June 30, 2023, 1,000,000 common shares

**VULCAN MINERALS INC.****Notes to the Condensed Consolidated Financial Statements****June 30, 2023**

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of Sassy and 772,408 common shares of Gander Gold (December 31, 2022 - 1,000,000 common shares of Sassy and 386,194 shares of Gander Gold) having a market value of \$924,291 (December 31, 2022 - \$842,892) at the time of their issuance and \$200,000 cash (December 31, 2022 - \$150,000) have been received. Security deposits of \$28,950 paid on the 624 claims have been reimbursed to the Company. As of June 30, 2023, \$122,626 (December 31, 2022 - \$122,626) has been recorded as cost recoveries to the Gander properties and \$131,399 (December 31, 2022 - \$192,892) recorded as income during period. After Sassy earns its 100% interest, the Company can retain a 3% net smelter royalty (NSR) covering the 624 claims. Sassy has the right to repurchase one-half of that NSR (1.5%) for \$2,000,000 in cash and 500,000 common shares within one year following delivery to Vulcan of a Feasibility Report on any deposit advanced on the properties. Subsequent to the date of this agreement, Sassy assigned the option to Gander Gold Corporation ("Gander Gold"). The first anniversary and subsequent option payments will now be paid by Gander Gold including the issuance of Gander Gold shares.

On September 20, 2021, the Company entered into an option agreement with Fjordland Exploration Inc. ("Fjordland") in relation to the Company's South Voisey's Bay mineral licenses (30 claims). Fjordland has an option to earn a 100% interest in the property over a three-year period by incurring work commitment of \$250,000 (\$250,000 in year 2024) and by making option payments of 1,350,000 common shares, and \$70,000 cash (\$25,000 upon signing). As at June 30, 2023, 850,000 common shares (December 31, 2022 - 850,000) having a market value of \$67,500 (December 31, 2022 - \$67,500) at the time of their issuance and \$35,000 (December 31, 2022 - \$35,000) has been received. As of June 30, 2023, \$12,266 (December 31, 2022 - \$12,266) has been recorded as cost recoveries to the South Voisey's Bay properties and \$nil (December 31, 2022 - \$17,500) recorded as income during the year. After Fjordland earns its 100% interest, the Company can retain a 2% net smelter returns royalty (NSR) covering the 30 claims. Fjordland has the right to buy down 50% of the NSR (1%) at any time within one year following the start of commercial production on the Property in consideration for the payment of \$2,000,000 in cash payable to the Company.

On May 9, 2022 the Company entered into a Purchase and Sale Agreement whereby the Company sold 12 mineral licences (2,440 claims) to Rocky Island Gold Corp ("Rocky Island"). Rocky Island paid \$250,000 cash and issued 3,000,000 common shares in the capital of Sassy Gold Corp. ("Sassy"). The Company received a one percent (1%) net smelter royalty covering the claims. The common shares had a market value of \$960,000 at the time of their issuance and \$250,000 cash has been received. A gain on the sale of mineral property of \$1,051,400 has been recorded as income during 2022.

**VULCAN MINERALS INC.**  
**Notes to the Condensed Consolidated Financial Statements**  
**June 30, 2023**

**7. CAPITAL ASSETS**

	June 30, 2023			
	Drilling Rig	Furniture and Fixtures	Computer Equipment	Total
	\$	\$	\$	\$
Opening Balance	798,368	12,296	103,967	914,631
Additions	-	-	1,286	1,286
Sub-total	798,368	12,296	105,253	915,917
Opening Depreciation	(794,399)	(11,881)	(87,404)	(893,684)
Depreciation	(595)	(42)	(2,581)	(3,218)
Closing Balance	3,374	373	15,268	19,015

	December 31, 2022			
	Drilling Rig	Furniture and Fixtures	Computer Equipment	Total
	\$	\$	\$	\$
Opening Balance	798,368	12,296	89,645	900,309
Additions	-	-	14,322	14,322
Sub-total	798,368	12,296	103,967	914,631
Opening Depreciation	(792,699)	(11,776)	(83,375)	(887,850)
Depreciation	(1,700)	(105)	(4,029)	(5,834)
Closing Balance	3,969	415	16,563	20,947

**8. LOAN**

	June 30 2023	December 31 2022
	\$	\$
Balance, beginning of year	30,000	28,543
Fair value adjustment	-	1,457
Balance, end of year	30,000	30,000

The Company availed of a \$40,000 loan under the federal government of Canada Covid-19 relief measures in 2020. The Canada Emergency Business Account loan provides a forgivable amount of \$10,000 if the amount of \$30,000 is repaid by December 31, 2022. This loan is non-interest bearing until January 1, 2023. In the event there is a loan balance outstanding on January 1, 2023, the loan will be renewed for a 3-year term with a fixed annual rate of interest of 5%. Interest accretion on the loan as of June 30, 2023 is \$nil

**VULCAN MINERALS INC.**  
**Notes to the Condensed Consolidated Financial Statements**  
**June 30, 2023**

(December 31, 2022 – \$1,457). In January 2022, the Government of Canada amended the CEBA program which delayed the required repayment date to December 31, 2023.

**9. SHARE CAPITAL**

**Authorized:**

- Unlimited number of voting common shares
- Unlimited number of preferred shares, issuable in series

**Issued and outstanding:**

	June 30, 2023		December 31, 2022	
	Number	Share Capital	Number	Share Capital
		\$		\$
Balance, beginning of year	116,254,265	24,659,813	110,967,765	23,149,820
Exercise of share warrants	2,250,000	225,000	4,736,500	1,210,949
Transfer to share capital on exercise of warrants	-	53,594	-	47,361
Exercise of options	25,000	2,500	450,000	82,500
Transfer to share capital on exercise of options	-	1,225	-	150,055
Issued pursuant to purchase of mineral licence	-	-	100,000	30,000
Share issuance cost, net of taxes	-	(5,437)	-	(10,872)
<b>Balance, end of period</b>	<b>118,529,265</b>	<b>24,936,695</b>	<b>116,254,265</b>	<b>24,659,813</b>

**Contributed surplus:**

A summary of contributed surplus is as follows:

	June 30 2023	December 31 2022
	\$	\$
Balance, beginning of year	3,949,212	3,237,906
Share-based compensation (Note 10)	-	861,361
Fair value of options exercised	(1,225)	(150,055)
<b>Balance, end of period</b>	<b>3,947,987</b>	<b>3,949,212</b>



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**Warrants:**

A summary of warrants issued and exercisable and changes during the periods then ended is as follows:

	<b>June 30, 2023</b>		<b>December 31, 2022</b>	
	<b>Number of Warrants</b>	<b>Weighted-Average Exercise Price</b>	<b>Number of Warrants</b>	<b>Weighted-Average Exercise Price</b>
		<b>\$</b>		<b>\$</b>
Balance, beginning of year	<b>32,233,000</b>	<b>0.22</b>	36,969,500	0.22
Exercised	<b>(2,250,000)</b>	<b>0.10</b>	(4,736,500)	0.26
Balance, end of period	<b>29,983,000</b>	<b>0.23</b>	32,233,000	0.22

  

	<b>June 30 2023</b>	<b>December 31 2022</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	<b>2,187,253</b>	2,234,614
Transferred to share capital on exercise of warrants	<b>(53,594)</b>	(47,361)
Balance, end of period	<b>2,133,659</b>	2,187,253

**10. SHARE-BASED COMPENSATION**

The Company has a stock option plan under which directors, officers, management, consultants and employees of the Company and its subsidiary are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Company at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Company. Options granted under the plan generally have a term of five years but may not exceed ten years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option is determined by the directors at the time of grant but shall not be less than the price permitted by the policy or policies of the stock exchange(s) on which the Company's common shares are then listed.

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A summary of the status of the Company's stock option plan is as follows:

	<b>June 30, 2023</b>		<b>December 31, 2022</b>	
	<b>Number of Options</b>	<b>Weighted-Average Exercise Price</b>	<b>Number of Options</b>	<b>Weighted-Average Exercise Price</b>
		<b>\$</b>		<b>\$</b>
Outstanding, beginning of year	<b>9,000,000</b>	<b>0.16</b>	7,375,000	0.12
Granted	-	-	2,150,000	0.30
Exercised	<b>(25,000)</b>	<b>0.10</b>	(450,000)	0.18
Expired	<b>(1,600,000)</b>	<b>0.10</b>	(40,035)	0.30
Forfeited	-	-	(34,965)	0.30
Outstanding, end of period	<b>7,375,000</b>	<b>0.17</b>	9,000,000	0.16
Exercisable, end of period	<b>7,375,000</b>	<b>0.17</b>	9,000,000	0.16

The weighted average remaining contractual life of outstanding options is 3.98 years (December 31, 2022 – 3.73 years). The weighted average remaining contractual life of exercisable options is 3.98 years (December 31, 2022 – 3.73 years).

On January 10, 2022, the Company granted 1,800,000 stock options to directors with each option entitling the holder to purchase one common share at \$0.30 per share for a period of ten years. 900,000 options vested on the date of the grant and the remaining 900,000 options vested December 31, 2022. In addition, the Company granted 300,000 stock options to employees and advisory board members with each option entitling the holder to purchase one common share at \$0.30 per share for a period of five years. 150,000 options vested on the date of the grant and the remaining 150,000 options vested December 31, 2022. 40,035 of these options expired and 34,965 forfeited on May 5, 2022.

On July 12, 2022, the Company granted 50,000 stock options to an employee with each option entitling the holder to purchase one common share at \$0.35 per share for a period of five years. 50,000 options vested on November 1, 2022.

**Fair value assumptions:**

The weighted average fair value of stock options granted in the period ended June 30, 2023 was estimated to be \$nil (December 31, 2022 – \$0.3012) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	<b>June 30 2023</b>	<b>December 31 2022</b>
Expected volatility (%)	-	155
Risk free interest rate (%)	-	1.11
Weighted-average expected life (years)	-	9.19
Dividend yield (%)	-	-

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**Share-based compensation expense:**

The Company recognized share-based compensation costs in the amount of \$nil in the period ended June 30, 2023 (June 30, 2022 - \$588,912). Share-based compensation in the amount of \$nil was expensed for the period ended June 30, 2023 (June 30, 2022 – \$577,936) and \$nil (June 30, 2022 – \$10,976) was capitalized to mineral exploration and evaluation assets.

**11. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>June 30 2023</b>	<b>June 30 2022</b>
	<b>\$</b>	<b>\$</b>
Office and administrative	<b>247,910</b>	175,154
Marketing and communications	<b>61</b>	1,000
Investor relations	<b>6,500</b>	39,000
Transfer agent and professional fees	<b>45,355</b>	59,906
Conferences, travel, and accommodation	<b>268</b>	1,805
	<b>300,094</b>	276,865

**12. RELATED PARTY TRANSACTIONS**

Compensation for key management personnel, which includes the President and Chief Executive Officer, Chief Financial Officer and Directors, is as follows:

	<b>June 30 2023</b>	<b>June 30 2022</b>
	<b>\$</b>	<b>\$</b>
Management fees, salaries and benefits for key management personnel:		
General and administrative	<b>173,651</b>	158,402
Capitalized as mineral exploration and evaluation assets	<b>7,356</b>	5,665
Share-based compensation for key management personnel:		
General and administrative	-	577,936
Capitalized as mineral exploration and evaluation assets	-	10,976
	<b>181,007</b>	752,976
Rent paid to a corporation which is controlled by the President of the Company	<b>12,000</b>	12,000

### **13. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard its accumulated capital in order to maintain its ability to continue as a going concern, to fund its exploration activities and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of capital and equity comprised of share capital, contributed surplus, and deficit.

The Company manages its capital structure and adjusts it in light of economic conditions. The Company will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms, option its exploration and evaluation assets for cash and/or expenditure commitments from optionees and enter into joint venture arrangements or dispose of its exploration and evaluation assets.

The Company is not subject to externally imposed capital requirements.

### **14. FINANCIAL INSTRUMENTS**

#### **Fair Values:**

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets and liabilities;

Level 2 – valuation techniques based on inputs that are quoted process of similar instruments in active markets; inputs other than quoted process used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means; and

Level 3 – valuation techniques with significant unobservable market inputs.

The carrying amount of cash and cash equivalents and accounts payable and accrued liabilities, approximate their fair value due to their short-term nature.

The recognized investments (Note 4) and the fair value of the Atlas Salt shares disclosed in Note 5 are Level 1 measurements.

**VULCAN MINERALS INC.**  
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**Financial Risk Management:**

The Company has exposure to credit risk, liquidity risk, market risk and commodity price risk. The source of risk exposure and how each is managed is outlined below:

*Credit Risk:*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligation. The Company is exposed to credit risk on its cash and accounts receivable. The credit risk on cash is limited because the counterparty is a chartered bank with a high credit rating. The Company assesses its credit risk with respect to cash and accounts receivable as not significant.

*Liquidity Risk:*

The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through debt or equity transactions. The Company manages its liquidity risk by continuously monitoring forecast and actual cash flow from operations. These funds are unrestricted and are intended to be used as working capital and to increase the Company's ability to fund future exploration projects. As of June 30, 2023 the Company had a cash balance of \$6,221,769 and a positive working capital of \$6,012,758.

Accounts payable and accrued liabilities at June 30, 2023 in the amount of \$272,222 (December 31, 2022 - \$137,981) are current and due within thirty days.

*Market Risk:*

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and commodity prices will affect the Company's net loss or the value of its financial instruments.

*Commodity Price Risk:*

The recoverability of the Company's mineral exploration and evaluation assets is partially related to the market price of oil and gas and base metals. The Company does not hedge this exposure to fluctuations in commodity prices. The Company's ability to continue with its exploration programs is also indirectly subject to commodity prices.

## **15. CONTINGENCIES**

The Company has been added as a co-defendant in an ongoing legal action Geophysical Service Incorporated (GSI) has with NWest Energy Corp. (now Ceylon Graphite Corp. by way of name change) regarding an alleged breach of an agreement between those parties. GSI has submitted a Statement of Claim and the Company has filed a Statement of Defence. The Company believes the claims against it are without basis or merit and no amounts have

**VULCAN MINERALS INC.**  
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been recorded in the Company's accounts related to this claim. The Company is fully defending its interest.

**16. SUBSEQUENT EVENTS**

Subsequent to June 30, 2023 warrants exercised, options granted and exercised and the shares outstanding were as follows:

Outstanding Shares as of August 28, 2023:	128,829,265
Warrants Exercised July 1, 2023 to August 28, 2023:	10,300,000
Options Granted July 1, 2023 to August 28, 2023:	Nil
Options Expired July 1, 2023 to August 28, 2023:	Nil
Options Exercised July 1, 2023 to August 28, 2023:	Nil

# **CORPORATE INFORMATION**

## **OFFICERS AND MANAGEMENT**

Patrick J. Laracy  
President and Chairman

Gillian Russell  
Chief Financial Officer and Corporate  
Secretary

## **BOARD OF DIRECTORS**

Patrick J. Laracy

Carson Noel

Philip E. Collins

Fraser Edison

## **EXCHANGE LISTING**

TSX Venture – “VUL”

## **LEGAL COUNSEL**

Morris McManus, Calgary, AB  
DLA Piper, Calgary, AB  
Morton Law, Vancouver, BC  
Cox & Palmer, St. John’s, NL

## **REGISTRAR AND TRANSFER AGENT**

Computershare Trust Company of  
Canada

## **AUDITORS**

PricewaterhouseCoopers LLP

## **BANKERS**

Scotiabank

## **ADDITIONAL INFORMATION**

Please contact, Patrick J. Laracy  
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