



**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED
JULY 31, 2022 and 2021**

(Expressed in Canadian Dollars, unless otherwise stated)

**Notice of No Auditor Review of
Condensed Consolidated Interim Financial Statements**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

BLACKWOLF COPPER AND GOLD LTD

Condensed Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

		JULY 31 2022	October 31 2021
ASSETS			
Current assets			
Cash and cash equivalents		\$ 1,693,780	\$ 389,986
Amounts receivable and prepaid expenses	3	473,779	517,225
Total current assets		2,167,559	907,211
Equipment	4	830,268	589,937
Restricted cash		945,854	911,979
Exploration and evaluation assets	5	1	1
Total Assets		\$ 3,943,682	\$ 2,409,128
LIABILITIES			
Current Liabilities			
Trade and other payables		1,094,318	\$ 890,785
Payables to related parties	6	20,915	27,968
Total current liabilities		1,115,233	918,753
Provision for rehabilitation obligation		1,629,020	1,570,678
Total liabilities		2,744,253	2,489,431
EQUITY/(DEFICIENCY)			
Share capital	7(a,b)	86,880,134	81,465,101
Reserves		6,691,885	6,339,673
Accumulated deficit		(92,365,081)	(87,896,569)
Accumulated other comprehensive income/(loss)		(7,509)	11,492
Total Equity/(Deficiency)		1,199,429	(80,303)
Total Equity and Liabilities		\$ 3,943,682	\$ 2,409,128

Continuance of operations and going concern (Note 1)

Subsequent Events (Note 9)

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

The consolidated financial statements are signed on the Company's behalf by:

/s/ Jessica Van Den Akker

Jessica Van Den Akker
Director

/s/ Donald Birak

Donald Birak
Director

BLACKWOLF COPPER AND GOLD LTD

Condensed Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three months ended July 31,		Nine months ended July 31,	
		2022	2021	2022	2021
Expenses					
Exploration and evaluation expenses	5	\$ 1,157,479	\$ 1,078,019	\$ 2,572,874	\$ 5,181,546
Management fees, director fees, wages and benefits	6	204,488	330,576	755,165	781,852
Office and other		63,447	84,973	244,780	228,361
Professional services		78,919	93,469	203,768	226,686
Regulatory		14,898	3,923	42,810	24,961
Marketing and investor relations		110,482	36,499	257,859	192,261
Travel		22,914	-	52,420	-
Share-based compensation	7 (e)	155,637	161,943	322,846	500,098
		1,808,265	1,789,402	4,452,522	7,135,765
Other income/expenses					
Foreign exchange loss (gain)		586	19,024	3,930	14,892
Finance income		(1,894)	(6,416)	(6,902)	(18,717)
Loss on sale of equipment		18,962	-	18,962	-
Net Loss		1,825,918	1,802,009	4,468,512	7,131,940
Other comprehensive loss/(income)					
Foreign currency translation adjustment		4,538	36,775	19,001	(14,949)
Comprehensive loss		\$ 1,830,456	\$ 1,838,784	\$ 4,487,513	\$ 7,116,991
Basic and diluted loss per common share		\$ 0.05	\$ 0.06	\$ 0.14	\$ 0.29
Weighted average number of common shares outstanding		34,214,175	29,049,989	32,925,655	24,889,007

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

BLACKWOLF COPPER AND GOLD LTD
Condensed Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended July 31,	
	2022	2021
Operating activities		
Loss for the period	\$ (4,468,512)	\$ (7,131,940)
<u>Non-cash or non operating items:</u>		
Depreciation	72,857	14,306
Share-based compensation	322,846	500,098
Loss on sale of equipment	18,962	-
<u>Changes in non-cash working capital items:</u>		
Amounts receivable and prepaid expenses	54,597	(621,680)
Trade and other payables	175,368	(426,536)
Payables to related parties	(7,052)	(60,255)
Net cash from/(used) operating activities	(3,830,934)	(7,726,007)
Investing activities		
Purchase of equipment	(404,966)	(563,135)
Proceeds from sale of equipment	95,295	-
Net cash from/(used) investing activities	(309,671)	(563,135)
Financing activities		
Proceeds from private placements	5,609,224	5,398,000
Share issue costs	(164,825)	(135,020)
Exercise of stock options	-	12,500
Exercise of warrants	-	89,268
Net cash from financing activities	5,444,399	5,364,748
Net decrease in cash and cash equivalents	1,303,794	(2,924,395)
Cash and cash equivalents - beginning balance	389,986	4,725,262
Cash and cash equivalents - ending balance	\$ 1,693,780	\$ 1,800,867

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

BLACKWOLF COPPER AND GOLD LTD

Condensed Consolidated Statements of Changes in Equity (Deficiency)

(Unaudited - Expressed in Canadian Dollars except for share information)

	Share capital		Equity settled share-based payments reserve	Accumulated deficit	Accumulated other comprehensive income/(loss)	Total equity (deficiency)
	Number of common shares	Amount				
Balance at November 1, 2020	22,214,847	\$ 76,089,046	\$ 5,762,968	\$ (78,772,368)	\$ -	\$ 3,079,646
Shares issued pursuant to private placement	6,747,500	\$ 5,398,000	\$ -	\$ -	\$ -	5,398,000
Share issuance costs		(174,877)	39,857	\$ -	\$ -	(135,020)
Warrants exercised	99,187	132,910	(43,642)			89,268
Stock options exercised	12,500	20,022	(7,522)			12,500
Share based compensation	-	-	500,098	-	-	500,098
Net loss	-	-	-	(7,131,940)	-	(7,131,940)
Other comprehensive income	-	-	-	-	14,949	14,949
Balance at July 31, 2021	29,074,034	\$ 81,465,101	\$ 6,251,759	\$ (85,904,308)	\$ 14,949	\$ 1,827,500
Balance at November 1, 2021	29,074,034	\$ 81,465,101	\$ 6,339,673	\$ (87,896,569)	\$ 11,492	\$ (80,303)
Shares issued pursuant to private placement	10,201,251	\$ 5,609,224	-	-	-	5,609,224
Share issuance costs		(194,191)	29,366	-	-	(164,825)
Share based compensation	-	-	322,846	-	-	322,846
Net loss	-	-	-	(4,468,512)	-	(4,468,512)
Other comprehensive income	-	-	-	-	(19,001)	(19,001)
Balance at July 31, 2022	39,275,285	\$ 86,880,134	\$ 6,691,885	\$ (92,365,081)	\$ (7,509)	\$ 1,199,429

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

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended July 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

1. NATURE AND CONTINUANCE OF OPERATIONS

Blackwolf Copper and Gold Ltd. (the "Company" or "Blackwolf") was incorporated under the laws of the Province of Alberta, Canada on November 6, 2007 and continued under the laws of the Province of British Columbia, Canada on November 16, 2009. On April 20, 2021, the Company changed its name from Heatherdale Resources Ltd to Blackwolf Copper and Gold Ltd. The Company's corporate office is located at Suite 3123 – 595 Burrard Street, Vancouver, British Columbia. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "BWCG".

The Company's principal mineral property interests are its 100% owned Niblack copper-gold-zinc-silver project in southeast Alaska (the "Niblack Project") and claims staked near Hyder, Alaska (the "Hyder Properties"). The Company is in the process of exploring its properties and has yet to determine if the properties contain economically recoverable mineral reserves. The Company's continuing operations and the underlying value of the properties are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the properties, obtaining the necessary permits to mine, future profitable production from any mine, and proceeds from the disposition of a property. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

As of July 31, 2022, the Company has no source of operating revenue and has accumulated significant losses since inception. The Company is continually seeking opportunities for additional funding and expects to raise funds from equity-based sources on terms which are acceptable to it to carry out planned operations for 2022. However, there can be no assurance that the Company will obtain such financial resources or achieve positive cash flows in the future.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These Financial Statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations committee ("IFRIC"s). Accordingly, they do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete annual financial statements and should be read in conjunction with the Company's consolidated financial statements, as at and for the year ended October 31, 2021, which were filed under the Company's profile on SEDAR at www.sedar.com. Results for the reporting period are not necessarily indicative of future results.

Accounting policies applied herein are the same as those applied in the Company's annual financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors on September 23, 2022.

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended July 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

(b) Significant Accounting Estimates and Judgments

The critical judgments and estimates applied in the preparation of these Financial Statements are consistent with those applied in the Company's consolidated financial statements, as at and for the year ended October 31, 2021.

3. AMOUNTS RECEIVABLE AND OTHER PREPAID EXPENSES

	July 31	October 31
	2022	2021
Sales tax receivable	\$ 84,883	\$ 44,630
Prepaid expenses	179,269	124,678
Deposits	163,069	318,626
Other receivables	46,558	29,291
	\$ 473,779	\$ 517,225

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended July 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

4. EQUIPMENT

	Office equipment	Field equipment	Total
Cost			
Balance, October 31, 2020	\$ 2,253	\$ 373,657	\$ 375,910
Acquisitions during the period	37,106	585,238	622,344
Translation adjustment	-	(29,382)	(29,382)
Balance, October 31, 2021	39,359	929,513	968,872
Acquisitions for the period	3,006	401,960	404,966
Dispositions for the period	-	(153,256)	(153,256)
Translation adjustment	-	36,708	36,708
Balance, July 31, 2022	\$ 42,365	\$ 1,214,925	\$ 1,257,290
Accumulated depreciation			
Balance, October 31, 2020	\$ -	\$ 309,250	\$ 309,250
Depreciation for the year	11,799	80,826	92,625
Translation adjustment	-	(22,940)	(22,940)
Balance, October 31, 2021	11,799	367,136	378,935
Depreciation for the period	7,194	65,663	72,857
Dispositions for the period	-	(38,722)	(38,722)
Translation adjustment	-	13,952	13,952
Balance, July 31, 2022	\$ 18,993	\$ 408,029	\$ 427,022
Carrying amounts			
As at October 31, 2021	\$ 27,560	\$ 562,277	\$ 589,937
As at July 31, 2022	\$ 23,372	\$ 806,896	\$ 830,268

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended July 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

5. EXPLORATION AND EVALUATION OF ASSETS

Details of the exploration and evaluation expenses that have been incurred are as follows:

For the Three Months ended July 31, 2022	Niblack Project	Hyder Area Properties	Total
Claim staking and maintenance	\$ -	\$ 40,836	\$ 40,836
Project and support contract services	116,825	24,946	141,771
Camp and site support	653,367	3,995	657,362
Depreciation	24,142	-	24,142
Fuel	25,426	-	25,426
Underground support supplies	23,545	-	23,545
Drilling	28,267	-	28,267
Geology	32,215	620	32,835
Transport	52,846	31,165	84,011
Field travel	49,293	11,758	61,051
Environmental and permitting	38,235	-	38,235
Total	\$1,044,161	\$ 113,320	\$ 1,157,479

For the Nine Months ended July 31, 2022	Niblack Project	Hyder Area Properties	Total
Claim staking/maintenance	\$ 5,742	\$ 40,836	\$ 46,578
Project and support contract services	562,763	40,377	603,140
Camp and site support	979,131	9,435	988,566
Depreciation	65,663	-	65,663
Fuel	86,153	-	86,153
Underground support supplies	88,387	-	88,387
Drilling	63,283	-	63,283
Geology	110,632	15,306	125,938
Transport	132,103	31,315	163,418
Field travel	180,520	11,758	192,278
Environmental and permitting	149,470	-	149,470
Total	\$2,423,847	\$ 149,027	\$ 2,572,874

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended July 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

For the Three Months Ended July 31, 2021	Niblack Project	Hyder Properties	Total
Project and support contract services	\$ 311,761	\$ 61,166	\$372,927
Camp and site support	261,573	39,606	301,179
Depreciation	5,688	-	5,688
Fuel	17,867	61	17,928
Underground support supplies	28,566	-	28,566
Drilling	729	-	729
Geology	52,017	7,215	59,232
Transport	88,049	83,065	171,114
Field travel	50,782	10,812	61,594
Metallurgy	5,625	-	5,625
Environmental and permitting	39,105	-	39,105
Baseline	14,332	-	14,332
Total	\$876,094	\$ 201,925	\$ 1,078,019

For the Nine Months Ended July 31, 2021	Niblack Project	Hyder Properties	Total
Claims maintenance	\$ 5,835	\$ -	\$ 5,835
Project and support contract services	1,861,975	61,166	1,923,141
Camp and site support	663,381	39,606	702,987
Depreciation	10,957	-	10,957
Fuel	95,365	61	95,426
Underground support supplies	398,004	-	398,004
Drilling	1,157,416	-	1,157,416
Geology	160,929	7,215	168,144
Transport	315,046	83,065	398,111
Field travel	175,330	10,812	186,142
Metallurgy	36,330	-	36,330
Environmental and permitting	81,600	-	81,600
Baseline	17,453	-	17,453
Total	\$4,979,621	\$ 201,925	\$ 5,181,546

1. The Niblack Project, 100% owned by the Company, consists of the 6,200-acre Niblack property, located on Prince of Wales Island, some 27 miles from Ketchikan, Alaska and includes certain site plant and equipment assets.

The Company will be required to make a one-time payment of Cdn\$1,250,000 to an arm's length third party upon the earliest to occur of the commencement of commercial production, the Company holding less than 35% interest in the Niblack Project, or a change in control of Blackwolf in certain circumstances.

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended July 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

2. The Hyder area properties is comprised of five properties Texas Creek, Cantoo, Casey, Mineral Hill and Rooster ("Hyder Area Properties"). The Hyder Area Properties were staked in 2021 and 2022 and are 100% owned and consist of 393 US federal claims, 4 Alaska state claims and 3 British Columbia mineral claims covering over 7,920 hectares. All properties are within the Golden Triangle Area with Texas Creek, Cantoo, Casey and Mineral Hill properties located in Southeast Alaska and the Rooster property located in northwest British Columbia.

6. RELATED PARTY BALANCES AND TRANSACTIONS

(a) *Related Party Transactions*

During the nine months ended July 31, 2022, the Company paid or accrued \$46,082 (2021 - \$117,907) for office space to a private company controlled by a common director.

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended July 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

(b) Key Management Compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President & Chief Executive Officer, Chief Financial Officer, and appointed officers of the Company and Directors. For the nine months July 31, 2022, total key management compensation was \$820,532 (2021 - \$964,882) which includes management fees and salaries of \$567,000 (2021 - \$570,683) and share based compensation of \$253,532 (2021- \$394,799).

7. SHARE CAPITAL AND RESERVES

(a) Authorized Share Capital

At July 31, 2022 the authorized share capital consisted of an unlimited (October 31, 2021 – unlimited) number of common shares without par value and an unlimited (October 31, 2021 – unlimited) number of preferred shares with no par value. At July 31, 2022 and October 31, 2021, only common shares were issued and outstanding. All issued shares are fully paid.

(b) Share Issuances

For the nine months ended July 31, 2022

In July 2022, the Company issued 6,126,607 units (the “Units”) by private placement at a price of \$0.45 per Unit, for aggregate gross proceeds of \$2,756,973. Each Unit consisted of one common share of the Company and one transferable common share purchase warrant, entitling the holder to acquire one common share at a price of \$0.60 per common share until July 15, 2024. The Company paid finder’s fees of \$81,004 and issued 127,870 finder warrants. Each finder warrant is exercisable to acquire one common in the capital of the Company at an exercise price of \$0.45 per common share until July 15, 2023. The finder warrants have been recorded at a fair value of \$13,134. The fair value of the finder warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 1.50%, expected life of 1.0 years, expected volatility rate of 75.00% and a dividend rate of 0.00%. The Company paid or accrued \$14,535 in fees related to the share issuance.

In December 2021, the Company issued 4,074,644 units (the “Units”) by private placement at a price of \$0.70 per Unit, for aggregate gross proceeds of \$2,852,251. Each Unit consisted of one common share of the Company and one-half of one transferable common share purchase warrant, with each whole warrant entitling the holder to acquire one common share at a price of \$0.85 per common share until June 9, 2023. The Company paid finder’s fees of \$54,312 and issued 77,588 finder warrants. Each finder warrant is exercisable to acquire one common in the capital of the Company at an exercise price of \$0.70 per common share until June 9, 2023. The finder warrants have been recorded at a fair value of \$16,232. The fair value of the finder warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.90%, expected life of 1.5 years, expected volatility rate of 75.00% and a dividend rate of 0.00%. The Company paid or accrued \$14,974 in fees related to the share issuance.

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended July 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

For the year ended October 31, 2021

In April 2021, the Company issued 6,747,500 common shares by private placement at a price of \$0.80 per common share, for aggregate gross proceeds of \$5,398,000. The Company paid finder's fees of \$107,280 and issued 134,100 share purchase warrants. Each share purchase warrant is exercisable to acquire one common in the capital of the Company at an exercise price of \$0.90 per common share until April 15, 2022. The share purchase warrants have been recorded at a fair value of \$39,857. The fair value of the share purchase warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.33%, expected life of 1.0 years, expected volatility rate of 75.00% and a dividend rate of 0.00%. The Company paid or accrued \$27,740 in fees related to the share issuance.

During the year ended October 31, 2021, the Company issued 12,500 common shares pursuant to the exercise of stock options for proceeds of \$12,500 and 99,187 common shares pursuant to the exercise of warrants for proceeds of \$89,268.

(c) Omnibus Share Incentive Plan

In June 2022, the Company's shareholders approved an amended omnibus share incentive plan (the "Share Incentive Plan") subject to final approval by the TSX-V, providing for the grant of stock options, restricted share units, performance share unit and deferred share units (together the "Awards"). The Share Incentive Plan replaces the Company's original omnibus share incentive plan.

The Share Incentive Plan provides that the Board of Directors of the Company may from time to time, in their discretion, and in accordance with TSX-V requirements, grant to its directors, officers, employees and consultants to the Company, non-transferable Awards to purchase common shares, provided that the number of common shares reserved for issue does not exceed 10% of the number of then outstanding common shares.

A summary of stock option transactions are summarized as follows:

	Number of options outstanding	Weighted average exercise price
Balance October 31, 2020	1,760,000	\$0.98
Granted	320,000	\$1.02
Exercised	(12,500)	\$1.00
Cancelled	(122,500)	\$0.99
Forfeited/Expired	(157,500)	\$0.98
Balance October 31, 2021	1,787,500	\$0.99
Granted	1,245,000	\$0.70
Forfeited/Expired	(582,500)	\$0.90
Balance July 31, 2022	2,450,000	\$0.86

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended July 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

As of July 31, 2022, the following stocks options were outstanding:

Expiry Date	Number of options outstanding	Number of options exercisable	Exercise price
September 28, 2022	175,000	175,000	\$1.00
June 16, 2025	100,000	100,000	\$0.80
June 30, 2025	30,000	30,000	\$0.85
September 9, 2025	992,500	522,500	\$1.00
April 20, 2026	92,500	72,500	\$1.00
May 12, 2026	10,000	5,000	\$1.24
February 1, 2027	150,000	37,500	\$0.70
April 4, 2027	900,000	225,000	\$0.70
	2,450,000	1,167,500	

(d) Warrants

A summary of warrant transactions are summarized as follows:

	Number of warrants outstanding	Weighted average exercise price
Balance October 31, 2020	310,575	\$0.90
Granted	134,100	\$0.90
Exercised	(99,187)	\$0.90
Expired	(211,388)	\$0.90
Balance October 31, 2021	134,100	\$0.90
Granted	8,369,832	\$0.64
Expired	(134,100)	\$.90
Balance July 31, 2022	8,369,832	\$0.85

As of April 30, 2022, the following warrants were outstanding:

Expiry Date	Number of options outstanding	Exercise price
June 9, 2023	77,588	\$0.70
June 9, 2023	2,037,317	\$0.85
July 15, 2023	127,870	\$0.45
July 15, 2024	6,126,607	\$0.60
	8,369,382	

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended July 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

(e) *Share Based Compensation Expense*

During the nine months ended July 31, 2022, a total of 1,245,000 stock options (2021 – 280,000) at a weighted-average exercise price of \$0.70 (2021 – \$1.02) were granted to an officers, consultants, and employees exercisable for a period of five years with various vesting terms over a three-year period. The weighted-average fair value attributable to options granted in 2022 was \$0.36 (2021 – \$0.59).

The following weighted-average assumptions were used in the Black-Scholes valuation of stock options granted during the period:

	2022	2021
Risk free interest rate	2.34%	0.33%
Expected life of Option	5 years	5 years
Annualized volatility	75.00%	75.00%
Dividend rate	0.00	0.00
Forfeiture rate	0.00	0.00

The Company recognized a share-based compensation expense of \$322,846 for the nine months ended July 31, 2022 (2021 – \$500,098). As of July 31, 2022, there were 1,282,500 non-vested options outstanding with a weighted average exercise price of \$0.82. The non-vested stock expense not yet recognized was \$289,965. This expense is expected to be recognized over the next three years.

8. FINANCIAL RISK MANAGEMENT

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. During the period ended July 31, 2022, there were no changes in the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital.

Fair Value

The fair value of the Company's financial assets and liabilities approximate their carrying values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. Fair value measurements, which are determined by using valuation techniques, are classified in their entirety as either Level 2 or Level 3 based on the lowest level input that is significant to the measurement.

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended July 31, 2022 and 2021

(Expressed in Canadian dollars, unless stated otherwise)

9. SUBSEQUENT EVENTS

- a) In August 2022, the Company issued 333,360 flow-through shares (the “FT Shares”) by of a private placement at a price of \$0.45 per FT Share, for aggregate gross proceeds of \$150,012. The Company paid finder’s fees of \$9,001 and issued 23,335 finder warrants. Each finder warrant is exercisable to acquire one common in the capital of the Company at an exercise price of \$0.45 per common share until August 9, 2023.

- b) In August 2022, the Company granted 320,000 options at an exercise price of \$0.45 and a term of 5 years.