



**INTERNATIONAL PROSPECT VENTURES LTD.**

**Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended September 30, 2022 and 2021**

**(Expressed in Canadian Dollars)**

**(unaudited)**

## **INTERNATIONAL PROSPECT VENTURES LTD.**

### **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

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

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

**INTERNATIONAL PROSPECT VENTURES LTD.****Condensed Interim Consolidated Statements of Financial Position**

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	As at September 30, 2022	As at December 31, 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	\$ 82,876	\$ 445,345
Sales taxes recoverable		6,733	46,737
Prepaid expenses and other	7	16,575	12,760
		106,184	504,842
<b>Non-current assets</b>			
Exploration and evaluation assets	8	283,140	92,978
<b>TOTAL ASSETS</b>		\$ 389,324	\$ 597,820
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 16,444	\$ 14,962
Due to related parties	11	69,631	20,574
<b>Total liabilities</b>		86,075	35,536
<b>EQUITY</b>			
Share capital	9	4,700,205	4,571,755
Contributed surplus		454,532	420,816
Warrants		405,477	405,477
Deficit		(5,256,965)	(4,835,764)
<b>Total equity</b>		303,249	562,284
<b>TOTAL LIABILITIES AND EQUITY</b>		\$ 389,324	\$ 597,820

Going Concern (Note 2)

On behalf of the Board of Directors,

*"Glenn J. Mullan"*

(signed Glenn J. Mullan)

Director

*"Dr. Robert I. Valliant"*

(signed Robert I. Valliant)

Director

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

**INTERNATIONAL PROSPECT VENTURES LTD.**
**Condensed Interim Consolidated Statements of Net loss and Comprehensive loss**

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	For the three months ended September 30,		For the nine months ended September 30,	
		2022	2021	2022	2021
<b>Operating expenses</b>					
Exploration and evaluation expenses	11	\$ 40,642	\$ 63,578	\$ 128,938	\$ 162,036
Professional fees	11	27,803	11,275	116,052	69,459
Consulting fees	11	-	30,000	40,000	90,000
Share-based payments	9	1,673	71,620	33,716	71,620
Regulatory and transfer agent fees		2,082	8,554	27,643	25,433
Investor and media relations		5,833	11,800	24,183	20,800
Office expenses		3,946	10,819	19,327	24,428
Director fees	11	3,000	3,195	15,633	9,524
Travel and entertainment		-	773	1,972	773
Impairment of exploration and evaluation assets		10,000	10,000	10,000	500,020
<b>Operating loss</b>		<b>94,979</b>	<b>221,614</b>	<b>417,464</b>	<b>974,093</b>
<b>Other expenses (income)</b>					
Finance expense		424	702	1,857	1,881
Foreign exchange loss		316	305	2,088	4,400
Finance income		(169)	(5)	(208)	(221)
		571	1,002	3,737	6,060
<b>Net loss and total comprehensive loss for the period</b>		<b>\$ 95,550</b>	<b>\$ 222,616</b>	<b>\$ 421,201</b>	<b>\$ 980,153</b>
<b>Basic and diluted net loss per common share</b>	10	<b>\$ (0.002)</b>	<b>\$ (0.006)</b>	<b>\$ (0.011)</b>	<b>\$ (0.028)</b>
<b>Weighted average number of common shares outstanding</b>	10	<b>39,594,407</b>	<b>39,040,236</b>	<b>39,549,861</b>	<b>35,552,815</b>

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

**INTERNATIONAL PROSPECT VENTURES LTD.**
**Condensed Interim Consolidated Statements of Changes in Equity**

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	Share capital		Contributed Surplus		Warrants		Deficit		Total
		Number								
Balance on January 1, 2022		39,040,236	\$ 4,571,755	\$	420,816	\$	405,477	\$	(4,835,764)	\$ 562,284
Issuance of shares on acquisition of mineral property and royalty interests	8	500,000	80,000		-		-		-	80,000
Issuance of shares on acquisition of mineral properties	8	1,000,000	45,000		-		-		-	45,000
Issuance of shares on payment of finders' fees	8	21,562	3,450		-		-		-	3,450
Share-based payment		-	-		33,716		-		-	33,716
Net loss and comprehensive loss for the period		-	-		-		-		(421,201)	(421,201)
Balance on September 30, 2022		40,561,798	\$ 4,700,205	\$	454,532	\$	405,477	\$	(5,256,965)	\$ 303,249

	Share capital		Contributed Surplus		Warrants		Deficit		Total
	Number								
Balance on January 1, 2021	33,264,237	\$ 3,929,898	\$	353,764	\$	214,908	\$	(3,483,525)	\$ 1,015,045
Issuance of units under a private placement	5,334,999	560,265		-		239,985		-	800,250
Issuance of shares on acquisition of property	300,000	49,500		-		-		-	49,500
Issuance of shares on exercise of warrants	50,000	8,675		-		(2,175)		-	6,500
Issuance of shares on payment of finders' fees	91,000	13,650		-		-		-	13,650
Share-based payment	-	-		71,620		-		-	71,620
Share issuance costs	-	(37,474)		-		-		-	(37,474)
Net loss and comprehensive loss for the period	-	-		-		-		(980,153)	(980,153)
Balance on September 30, 2021	39,040,236	\$ 4,524,514	\$	425,384	\$	452,718	\$	(4,463,678)	\$ 938,938

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

**INTERNATIONAL PROSPECT VENTURES LTD.****Condensed Interim Consolidated Statements of Cash Flows**

(Unaudited)

(Expressed in Canadian Dollars)

		For the nine months ended September 30,	
	Notes	2022	2021
<b>OPERATING ACTIVITIES</b>			
Net loss for the period	\$	(421,201)	\$ (980,153)
Adjustments:			
Impairment of exploration and evaluation assets	8	10,000	500,020
Share-based payments	9	33,716	71,620
		(377,485)	(408,513)
Change in non-cash working capital items			
Sales taxes recoverable		40,004	(21,678)
Prepaid expenses and other		(3,815)	(17,047)
Accounts payable and accrued liabilities		1,482	(17,179)
Due to related parties		49,057	(41,844)
		86,728	(97,748)
<b>Cashflows used by operating activities</b>		<b>(290,757)</b>	<b>(506,261)</b>
<b>INVESTING ACTIVITIES</b>			
Additions to exploration and evaluation assets	16	(71,712)	(136,508)
<b>Cashflows used by investing activities</b>		<b>(71,712)</b>	<b>(136,508)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issuance of units under a private placement	9	-	800,250
Proceeds from issuance of shares on exercise of warrants		-	6,500
Share issuance costs		-	(23,824)
<b>Cashflows from financing activities</b>		<b>-</b>	<b>782,926</b>
<b>Increase (decrease) in cash</b>	\$	<b>(362,469)</b>	<b>\$ 140,157</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>445,345</b>	<b>468,143</b>
<b>Cash and cash equivalents, end of period</b>	\$	<b>82,876</b>	<b>\$ 608,300</b>

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

# **INTERNATIONAL PROSPECT VENTURES LTD.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**September 30, 2022 and 2021**

(Expressed in Canadian dollars unless otherwise noted)

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### **1) STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES**

International Prospect Ventures Ltd. (the "Company" or "International Prospect"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9. The Company's common shares are trading on the TSX Venture Exchange under the trading symbol "IZZ".

The Board of Directors approved the unaudited condensed interim consolidated financial statements for issue on November 28, 2022.

### **2) GOING CONCERN**

These condensed interim consolidated financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospecting operations, its projects and continued support of suppliers and creditors. The Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any revenues or cash flows from its operations and there is no assurance that the business will be profitable in the future.

These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the condensed interim consolidated financial statements and the classification used in the consolidated financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

## **INTERNATIONAL PROSPECT VENTURES LTD.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**September 30, 2022 and 2021**

(Expressed in Canadian dollars unless otherwise noted)

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### **3) BASIS OF PRESENTATION**

#### *Statement of compliance*

These condensed interim consolidated financial statements, approved by the Board of Directors on November 28, 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 condensed interim consolidated financial statements as well as the related notes should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2021.

#### *Subsidiaries*

These condensed interim consolidated financial statements include the accounts of International Prospect and its wholly-owned subsidiary, Valroc Ventures Pty Ltd. ("Valroc"), a New South Wales company, located in Australia. Subsidiaries are consolidated where the Company has the ability to exercise control. Control of an investee exists when the Company is exposed to variable returns from the Company's involvement with the investee and has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. All intercompany balances, transactions, income and expenses and gains or losses have been eliminated on consolidation.

### **4) ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

At the date of authorization of these condensed interim consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements.

The Company has considered the amendments to IAS 16, Property Plant and Equipment, IAS 37, Provisions, Contingent Liabilities and Contingent Assets and IFRS 3 Business Combinations which are effective for annual periods beginning on or after January 1, 2022 and has concluded that these amendments have no impact on the Company's financial statements.



**INTERNATIONAL PROSPECT VENTURES LTD.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
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**5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

When preparing consolidated financial statements, management undertakes a number of estimates, judgments and assumptions about recognition and measurement of assets, liabilities, income and expenses. These estimates and judgments are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the consolidated financial statements.

Significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the annual audited consolidated financial statements as at and for the year ended December 31, 2021.

**6) CASH AND CASH EQUIVALENTS**

	As at September 30, 2022	As at December 31, 2021
Cash	\$ 82,876	\$ 395,345
Demand deposit	-	50,000
	\$ 82,876	\$ 445,345

**7) PREPAIDS EXPENSES AND OTHER**

	As at September 30, 2022	As at December 31, 2021
Prepaid expenses	\$ 11,445	\$ 7,630
Other	5,130	5,130
	\$ 16,575	\$ 12,760

# INTERNATIONAL PROSPECT VENTURES LTD.

## Notes to Condensed Interim Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in Canadian dollars unless otherwise noted)



### 8) EXPLORATION AND EVALUATION ASSETS

The following table presents the changes to exploration and evaluation assets by categories for the nine months ended September 30, 2022 and for the year ended December 31, 2021:

	As at					As at
	January 1,	Additions	Credits	Impairment		September 30,
	2022					2022
Claim and claim maintenance	\$ 44,062	\$ 1,976	\$ (99)	-	\$	45,939
Acquisition	32,818	188,285	-	-		221,103
Program management	11,570	-	-	-		11,570
Geophysics	-	-	-	-		-
Geology	4,290	-	-	-		4,290
Other	238	-	-	-		238
Royalty advances	-	10,000	-	(10,000)		-
	\$ 92,978	200,261	(99)	(10,000)	\$	283,140

	As at				As at
	January 1, 2021	Additions	Credits	Impairment	December 31, 2021
Claim and claim maintenance	\$ 189,246	\$ 150,065	\$ (131)	(295,118)	\$ 44,062
Acquisition	200,000	59,500	-	(226,682)	32,818
Program management	125,374	-	-	(113,804)	11,570
Geophysics	51,926	-	-	(51,926)	-
Geology	54,726	-	-	(50,436)	4,290
Other	4,436	-	-	(4,198)	238
Royalty advances	-	10,000	-	(10,000)	-
	\$ 625,708	219,565	(131)	(752,164)	\$ 92,978

The following table presents exploration and evaluation assets by properties:

	As at September 30, 2022	As at December 31, 2021
Pilbara Region	\$ 164,690	\$ 92,978
West Stewardson	118,450	-
<b>Total</b>	<b>\$ 283,140</b>	<b>\$ 92,978</b>

**INTERNATIONAL PROSPECT VENTURES LTD.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
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**8) EXPLORATION AND EVALUATION ASSETS (continued)**

*Pilbara Region – Western Australia*

In 2017, the Company and Valroc made an application for eight tenements in the Marble Bar and Nullagine areas of the Pilbara Region, Western Australia (Fortescue Basin). Granting of the exploration licences for all eight properties, which totalled 1,026 square kilometres, was completed in 2019.

In 2021, four tenements were surrendered, leaving the Company with four tenements located at the eastern end of the Mosquito Creek Basin (Formation) and covering gold-bearing rocks of the Mosquito Creek and Hardey formations.

In 2022, the Company increased its property package in the Eastern Pilbara Region with the addition of two new exploration licences, acquired 100% by staking and together totalling approximately 5,580 hectares. The additional two tenements were granted to the Company's wholly owned subsidiary, Valroc.

In August 2022, the Company further increased its property package in the Eastern Pilbara pursuant to an agreement to acquire two mineral Prospecting Licences (the "Tenements") located within the Mosquito Creek Basin. As consideration for the acquisition of the Tenements, the Company made a cash payment of AUD\$15,000 to the vendor of the Tenements as a reimbursement of historical expenditures and issued 1.0 million shares in the capital of the Company fair valued at \$45,000. The Company currently holds eight tenements in the Eastern Pilbara covering approximately 14,231 hectares.

*West Stewardson Uranium Project - Athabasca Basin, Saskatchewan*

On January 7, 2022, the Company entered into an agreement with Uravan Minerals Inc. ("Uravan") to acquire a 1.0% net smelter return royalty (the "NSR") that covers five mineral dispositions (17,795 ha) held by Cameco Corporation ("Cameco") and a 100% interest in the West Stewardson Uranium Project (5,251 ha), both located in the Athabasca Basin of northern Saskatchewan (together, the "Property").

In consideration for the Property, the Company paid Uravan cash of \$35,000 and issued to Uravan 500,000 common shares, fair valued at \$80,000, of the Company. The Company paid a finder's fee to an independent arms-length third party consisting of 21,562 common shares, fair valued at \$3,450, of the Company. Cameco is the holder of the five mineral dispositions that are subject to the NSR and Cameco has an exclusive option to purchase 100% of the NSR for \$500,000.

**INTERNATIONAL PROSPECT VENTURES LTD.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
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(Expressed in Canadian dollars unless otherwise noted)

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**8) EXPLORATION AND EVALUATION ASSETS (continued)**

*Otish/Mistassini Project - North Central Québec*

The Company owns a 100% interest in the Otish/Mistassini Project which comprises 46 claims covering an area of 2,447 hectares, within four separate claim blocks located in the Province of Québec.

*Beartooth Island Project - Athabasca Basin, Saskatchewan*

On May 6, 2021, the Company announced that it entered into a mining property purchase agreement (the “Agreement”) for the acquisition of the remaining 60% undivided interest in the Beartooth Island Uranium Project (the “Project”). In accordance with the terms of the Agreement, the Company issued 300,000 of its common shares and made a cash payment of \$10,000 to the vendor. With the Company already holding 40% interest, the Company now owns 100% of the Beartooth Island Uranium Project.

The Project, focused on uranium exploration, consists of one mineral claim covering an area of 5,940 hectares located in the northwest portion of the Athabasca Basin in Saskatchewan. Separately, the Company has staked four additional mineral claims that were originally associated with the Project. The four additional mineral claims, and the Project together form the Beartooth Island Uranium Project covering Beartooth Island in Lake Athabasca, and totalling 22,581 hectares.

*Elliot Lake Uranium Project – Ontario, Canada*

The Company, through staking, holds a 100% owned land package in the Elliot Lake Uranium Camp, Ontario, Canada. The three mining claim groups (North Limb, South Limb and North Shore) cover approximately 12,788 ha.

*Porcupine Miracle Project - Langmuir Township, Ontario*

The Company owns a 100% interest in the Porcupine Miracle Project which comprises nine (9) claim cells located in Langmuir Township in the Province of Ontario, Canada. The Property is subject to a royalty in favor of 2973090 Canada Inc, a company controlled by the President, equal to 3% of net smelter returns. Advance royalty payments of \$10,000 per annum is payable by the Company, which commenced on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty.

**9) EQUITY**

**a) Share Capital**

**Authorized**

Unlimited number of voting common shares without par value.

**INTERNATIONAL PROSPECT VENTURES LTD.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
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(Expressed in Canadian dollars unless otherwise noted)



**9) EQUITY (continued)**

**Issue share capital**

The change in issued share capital for the nine months ended September 30, 2022 and for the year ended December 31, 2021 was as follows:

		For the nine months ended September 30, 2022		For the year ended December 31, 2021	
		Number of shares	Stated Value	Number of shares	Stated Value
<b>Outstanding, beginning of period</b>		<b>39,040,236</b>	<b>\$ 4,571,755</b>	33,264,237	\$ 3,929,898
Issuance of shares on acquisition of mineral property and royalty interest	(a)	500,000	80,000	300,000	49,500
Issuance of shares on payment of finders' fees	(a)	21,562	3,450	91,000	13,650
Issuance of shares on acquisition of mineral properties	(b)	1,000,000	45,000	-	-
Issuance of units under a private placement		-	-	5,334,999	607,506
Issuance of shares on exercise of warrants		-	-	50,000	8,675
Share issue expenses		-	-	-	(37,474)
<b>Outstanding, end of period</b>		<b>40,561,798</b>	<b>\$ 4,700,205</b>	39,040,236	\$ 4,571,755

**2022 transaction on share capital**

*a) Issuance of shares on acquisition of mineral property and royalty interest*

As described in note 8, the Company issued 500,000 of its common shares, with a fair value of \$80,000, relating to the acquisition of a 1.0% NSR that covers five mineral dispositions held by Cameco and a 100% interest in the West Stewardson Uranium Property from Uravan. The Company paid a finder's fee to an independent arms-length third party consisting of 21,562 common shares, with a fair value of \$3,450, of the Company.

*b) Issuance of shares on acquisition of mineral properties*

As described in note 8, the Company issued 1,000,000 of its common shares, with a fair value of \$45,000, relating to the acquisition of a property package in the Eastern Pilbara of Western Australia pursuant to an agreement to acquire two mineral Prospecting Licences.

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**9) EQUITY (continued)**

**2021 transactions on share capital**

*Issuance of Units under a private placement*

On June 15, 2021, the Company completed a non-brokered private placement pursuant to which it issued 5,334,999 Units at a per Unit price of \$0.15 for gross proceeds of \$800,250. Each Unit consisted of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each warrant entitling the holder to purchase one common share at a per share price of \$0.20 until June 15, 2024, subject to accelerated expiry in certain circumstances.

The related fair value method, using the Black Scholes options pricing model, was retained to estimate the fair value of the 2,667,499 warrants with the following assumptions: an expected volatility of 113%, a risk-free interest rate of 0.54%, an expected unit life of 3 years, no expected dividend yield and a share price at date of grant of \$0.16. As a result, the warrants were valued at \$192,744 and deducted from share capital and recorded as an increase of Warrants in the statement of changes in equity.

In connection with the non-brokered private placement, the Company issued 91,000 common shares at a per share price of \$0.15 to various arm's length parties in satisfaction of \$13,650 in finder's fees representing 5% of the purchase proceeds received from subscribers introduced to the Company by the finders. The Company also incurred legal fees and regulatory fees of \$23,824 in relation with the private placement.

*Issuance of shares for grant of mining option*

As described in note 8, the Company issued 300,000 of its common shares, with a fair value of \$49,500, relating to the acquisition of the remaining 60% undivided interest in the Beartooth Island Uranium Project.

*Issuance of shares from exercise of share purchase warrants*

For the year ended December 31, 2021, the Company issued 50,000 of its common shares pursuant to the exercise of 50,000 share purchase warrants for a total consideration of \$6,500.

**INTERNATIONAL PROSPECT VENTURES LTD.**  
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**9) EQUITY (continued)**

*Share-based payments*

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors but shall not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the TSX Venture Exchange (the "Exchange"); if no sales were reported, it shall be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported. The vesting period of the options shall be determined by the Board of Directors, in accordance with the rules and regulations of the Exchange. All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash.

A summary of changes in the number of incentive stock option for the nine months ended September 30, 2022 and for the year ended December 31, 2021 is presented as follows:

	<b>For the nine months ended September 30, 2022</b>		<b>For the year ended December 31, 2021</b>	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	<b>3,815,312</b>	<b>\$ 0.13</b>	3,325,312	\$ 0.12
Granted	-	-	900,000	0.16
Forfeited	-	-	(410,000)	0.12
Outstanding, end of period	<b>3,815,312</b>	<b>\$ 0.13</b>	3,815,312	\$ 0.13
Exercisable, end of period	<b>3,815,312</b>	<b>\$ 0.13</b>	3,315,312	\$ 0.12

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**9) EQUITY (continued)**

***Share-based payments(continued)***

***Incentive stock options granted in 2021***

On September 28, 2021, the Company granted to directors and consultants incentive stock options entitling the purchase 700,000 common shares at an exercise price of \$0.15 per share. The options are exercisable for a period of 3 years until September 28, 2024. The options vest as to 25% immediately and then 25% every three months thereafter. The fair value of the 700,000 stock options has been estimated on the date of issue at \$79,133, of which to date \$79,133 has been expensed, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: \$0.15; expected dividend yield: nil; expected volatility: 117.6% risk-free interest rate: 0.96% expected life: 3 years and exercise price at the date of grant: \$0.15 per share. For the three and nine months ended September 30, 2022, share-based payments of \$nil and \$22,481 (for three and nine months ended September 30, 2021 - \$71,620 and \$71,620) have been recognized relating to this grant, respectively.

On November 15, 2021, the Company granted to a consultant incentive stock options entitling the purchase 200,000 common shares at an exercise price of \$0.18 per share. The options are exercisable for a period of 3 years until November 15, 2024. The options vest as to 25% immediately and then 25% every three months thereafter. The fair value of the 200,000 stock options has been estimated on the date of issue at \$21,635, of which to date \$21,635 has been expensed, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: \$0.18; expected dividend yield: nil; expected volatility: 117.34%; risk-free interest rate: 1.38%; expected life: 3 years and exercise price at the date of grant: \$0.18 per share. For the three and nine months ended September 30, 2022, share-based payments of \$1,673 and \$11,235 have been recognized relating to this grant, respectively.

The table below summarizes the information related to outstanding incentive stock options as at September 30, 2022:

Expiry date	Number of stock options outstanding	Weighted Average Exercise price	Weighted Average remaining contractual life	Exercisable Options
February 28, 2024	50,000	\$ 0.170	1.41	50,000
June 17, 2024	390,312	\$ 0.160	1.72	390,312
September 28, 2024	700,000	\$ 0.150	2.00	700,000
November 15, 2024	200,000	\$ 0.180	2.13	200,000
June 26, 2025	665,000	\$ 0.115	2.74	665,000
July 10, 2027	1,315,000	\$ 0.050	4.78	1,315,000
December 12, 2027	495,000	\$ 0.265	5.20	495,000
	3,815,312			3,815,312



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**9) EQUITY (continued)**

***Share-based payments(continued)***

The table below summarizes the information related to outstanding incentive stock options as at December 31, 2021:

<b>Expiry date</b>	<b>Number of stock options outstanding</b>	<b>Weighted Average Exercise price</b>	<b>Weighted Average remaining contractual life</b>	<b>Exercisable Options</b>
February 28, 2024	50,000	\$ 0.170	2.16	50,000
June 17, 2024	390,312	\$ 0.160	2.46	390,312
September 28, 2024	700,000	\$ 0.150	2.75	350,000
November 15, 2024	200,000	\$ 0.180	2.88	50,000
June 26, 2025	665,000	\$ 0.115	3.49	665,000
July 10, 2027	1,315,000	\$ 0.050	5.53	1,315,000
December 12, 2027	495,000	\$ 0.265	5.95	495,000
	<b>3,815,312</b>			<b>3,315,312</b>

***Warrants***

A summary of changes in the number of share purchase warrants is presented as follows:

	<b>For the nine months ended September 30, 2022</b>		<b>For the year ended December 31, 2021</b>	
	<b>Number of warrants</b>	<b>Weighted average exercise price</b>	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
Outstanding, beginning of period	<b>8,866,769</b>	<b>\$ 0.15</b>	6,249,270	\$ 0.13
Granted	-	-	2,667,499	0.20
Expired	<b>(6,199,270)</b>	<b>0.13</b>	-	-
Exercised	-	-	(50,000)	0.13
Outstanding, end of period	<b>2,667,499</b>	<b>\$ 0.20</b>	8,866,769	\$ 0.15

The table below summarizes the information related to outstanding warrants as at September 30, 2022:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of warrants outstanding</b>	<b>Exercisable Warrants</b>
June 15, 2024	\$ 0.20	2,667,499	2,667,499
		<b>2,667,499</b>	<b>2,667,499</b>

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**9) EQUITY (continued)**

The table below summarizes the information related to outstanding warrants as at December 31, 2021:

Expiry Date	Exercise Price	Number of warrants outstanding	Exercisable Warrants
June 17, 2022	\$ 0.13	6,199,270	6,199,270
June 15, 2024	\$ 0.20	2,667,499	2,667,499
		8,866,769	8,866,769

**10) LOSS PER SHARE**

Loss per share has been calculated using the weighted average number of common shares outstanding as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Net loss for the period	\$ (95,550)	\$ (222,616)	\$ (421,201)	\$ (980,153)
Weighted average number of common shares - Basic	39,594,407	39,040,236	39,549,861	35,552,815
Dilutive effect of stock options/warrants	-	-	-	-
Weighted average number of common shares - Diluted	39,594,407	39,040,236	39,549,861	35,552,815
Basic loss per share	\$ (0.002)	\$ (0.006)	\$ (0.011)	\$ (0.028)
Diluted loss per share	(0.002)	(0.006)	(0.011)	(0.028)

For the three and nine months ended September 30, 2022 and 2021, potential dilutive common shares from incentive stock options and warrants have not been included in the loss per share calculation as they would result in a reduction of the loss per share.

**11) RELATED PARTY BALANCES AND TRANSACTIONS**

a) Transactions with a shareholder

Effective July 1, 2020, the Company entered into a Cost Sharing Arrangement (the "Sharing Arrangement") with Golden Valley Mines and Royalties Ltd ("Golden Valley"), a significant shareholder of the Company, pursuant to which Golden Valley will provide certain management and financial services such as office space and administrative support relating to the exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9, in consideration of \$8,919 per year (the "reimbursement"), payable on a monthly basis. The Sharing Arrangement provides for the reimbursement to be reviewed on an annual basis.

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**11) RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

For the three and nine months ended September 30, 2022, the Company reimbursed Golden Valley the amount of \$nil and \$3,628 (for the three and nine months ended September 30, 2021 - \$1,814 and \$5,442) from this Sharing Arrangement.

The Sharing Arrangement was terminated and not renewed on July 1, 2022.

For efficiency reasons, where the Company and Golden Valley are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at September 30, 2022, the Company had indebtedness of \$1,533 (December 31, 2021 - \$nil) to Golden Valley, included in due to related parties.

*b) Transactions with key management*

Key management personnel of the Company comprise of the members of the board of directors, as well as the President and Chief Executive Officer, Chief Operating Officer, Vice President Exploration, and the Chief Financial Officer. The compensation paid to key management is presented below:

- For the three and nine months ended September 30, 2022, consultant fees of \$10,500 and \$31,500 (for the three and nine months ended September 30, 2021 - \$10,500 and \$31,500) were paid by the Company to 2973090 Canada Inc. ("2973090") a company controlled by a director of the Company, relating to the services of the Company's Chairman of the Board. These fees are recorded under exploration and evaluation expense in the condensed interim consolidated statements of net loss and comprehensive loss. In addition, as part of a Mining Option Agreement signed on the Porcupine Miracle Prospect, the Company recognized an advance royalty payment of \$10,000 (2021 - \$10,000) to 2973090 Canada Inc. As at September 30, 2022, the Company had indebtedness of \$22,072 (December 31, 2021 - \$4,024), included in due to related parties, to 2973090.
- For the three and nine months ended September 30, 2022, consultant fees of \$nil and \$40,000 (for the three and nine months ended September 30, 2021 - \$30,000 and \$90,000) were incurred by the Company to Ironbark International Limited ("Ironbark") relating to the services of the Company's former President and CEO. These fees are recorded under consulting fees in the condensed interim consolidated statements of net loss and comprehensive loss. As at September 30, 2022, the Company had no indebtedness (December 31, 2021 - \$11,300, included in due to related parties) to Ironbark.
- For the three and nine months ended September 30, 2022, consultant fees of \$15,000 and \$45,000 (for the three and nine months ended September 30, 2021 - \$15,000 and \$45,000) were incurred by the Company to Caracle Creek International Consulting Inc. ("Caracle") relating to the services of the Company's VP Exploration. These fees are recorded under exploration and evaluation expenses in the condensed interim consolidated statement of net loss and comprehensive loss. As at September 30, 2022, the Company had indebtedness of \$16,072 (December 31, 2021 - \$5,250) to the Company's VP Exploration, which is included in due to related parties.

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**11) RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

**b) Transactions with key management (continued)**

- For the three and nine months ended September 30, 2022, consultant fees of \$15,000 and \$45,000 (for the three and nine months ended September 30, 2021 - \$15,000 and \$45,000) were incurred by the Company to a company controlled by the Company's Chief Operating Officer for technical services. These fees are recorded under exploration and evaluation expenses in the condensed interim consolidated statements of net loss and comprehensive loss. As at September 30, 2022, the Company had indebtedness of \$15,000 (December 31, 2021 - \$nil) to the Company's Chief Operating Officer.
- For the three and nine months ended September 30, 2022, consultant fees of \$6,000 and \$18,000 (for the three and nine months ended September 30, 2021 - \$nil and \$nil) were incurred by the Company relating to the services of the Company's Chief Financial Officer. These fees are recorded under Professional fees in the condensed interim consolidated statements of net loss and comprehensive loss. As at September 30, 2022, the Company had indebtedness of \$6,780 (December 31, 2021 - \$nil) to the Company's Chief Financial Officer, which is included in due to related parties.
- For the three and nine months ended September 30, 2022, director fees of \$3,000 and \$15,000 (for the three and nine months ended September 30, 2021 - \$3,000 and \$9,000) were incurred by the Company. As at September 30, 2022, the Company had indebtedness of \$3,000 (December 31, 2021 - \$nil) to a director of the Company, which is included in due to related parties.

*c) Transactions with related party*

For the three and nine months ended September 30, 2022, the Company incurred fees of \$4,500 and \$13,500 (for the three and nine months ended September 30, 2021 - \$nil and \$nil) with an individual, the spouse of the Company's Chief Operating Officer, as part of a consulting agreement for accounting services. These fees were recorded under Professional fees in the condensed interim consolidated statements of net loss and comprehensive loss. As at September 30, 2022, the Company had indebtedness of \$5,174 (December 31, 2021 - \$nil) to this individual, which is included in due to related parties.

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## 12) FINANCIAL ASSETS AND LIABILITIES

### *Categories of financial assets and liabilities*

The carrying amounts and fair values of financial instruments presented in the consolidated statements of financial position are as follows:

	As at September 30, 2022		As at December 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	\$ 82,876	82,876	\$ 445,345	445,345
	\$ 82,876	\$ 82,876	\$ 445,345	\$ 445,345

	As at September 30, 2022		As at December 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Accounts payable and accrued liabilities	\$ 16,444	\$ 16,444	\$ 14,962	\$ 14,962
Due to related parties	69,631	69,631	20,574	20,574
	\$ 86,075	\$ 86,075	\$ 35,536	\$ 35,536

The carrying value of cash and cash equivalents, due to related parties and accounts payable and accrued liabilities is considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. Financial assets and liabilities measured at amortized cost for which a fair value is provided in the consolidated statements of financial position are presented in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. There have been no significant transfers between Level 1, 2 and 3 in the reporting periods. The techniques and evaluation methods used to measure fair value were not changed compared to previous years.

### **13) CAPITAL MANAGEMENT POLICIES AND PROCEDURES**

The Company's objectives in managing capital is to safeguard its ability to continue its operations, to increase the value of the assets of the business and to provide an adequate return to owners. These objectives will be achieved by identifying the right exploration prospects, adding value to these projects and ultimately taking them through to production either with partners or by the Company's own means or sale.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares to improve its financial performance and flexibility. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. The Company monitors capital on the basis of the carrying amount of equity. Capital for reporting period under review is summarized in note 9 and in the statement of changes in equity. The Company is not subject to any externally imposed capital requirements.

### **14) FINANCIAL RISKS**

The Company is exposed to various financial risks in relation to its financial instruments. The main types of risks the Company is exposed to are credit risk and liquidity risk.

The Company focuses on actively securing short to medium-term cash flow by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial instruments for speculative purposes.

The Company's main financial risk exposure and its financial risk management policies are as follows:

#### *Credit risk*

Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company's maximum exposure to credit risk is limited to the carrying amount of cash of \$82,876 as at September 30, 2022 and \$445,345 as at December 31, 2021. The risk related to cash is considered negligible as the Company is dealing with a reputable financial institution whose credit rating is excellent.

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**14) FINANCIAL RISKS (continued)**

*Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has potential financing sources. The Company establishes budget and cash estimates to ensure it has the necessary funds to fulfil its obligations.

Accounts payable and accrued liabilities are due within less than 90 days.

**15) COMMITMENTS**

*Exploration Expenditure Commitment*

In order to maintain the Company's interest in mining tenements in Australia, the Company is committed to meet the annual minimum expenditure of approximately \$126,000 (or AUD\$141,000) under which the tenements were granted.

**16) ADDITIONAL CASH FLOW INFORMATION**

The following significant non-cash transactions have been excluded from the condensed interim consolidated Statements of Cash Flows:

	For the nine months ended September 30,	
	2022	2021
Issuance of shares on payment of finders' fees	\$ 3,450	13,650
Issuance of shares on acquisition of property and royalty interest	125,000	49,500

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### **17) SUBSEQUENT EVENT**

On October 28, 2022, the Company announced that, further to its news release of September 20, 2022, it is proceeding with a non-brokered private placement offering pursuant to which it will issue up to 10,000,000 Units at a per Unit price of \$0.05 for gross proceeds of up to \$500,000. Each Unit will consist of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each whole warrant exercisable for a period of 24 months from the date of issuance of the securities. Each whole warrant entitles holder to purchase one common share at a per share price of \$0.075 for the first 12 months from the date of issuance of the securities and \$0.10 for the remaining 12 months thereafter.

The offering is subject to acceptance by the TSX Venture Exchange. Finder's fees in amounts to be determined may be payable to persons who introduce the Company to subscribers to the offering. The proceeds raised from this offering will be used by the Company for general corporate purposes and the advancement of the Company's gold tenements located in Western Australia. All securities issued will be subject to a hold period of four months and one day from the date of closing of the offering in accordance with applicable securities legislation and the policies of the TSX Venture Exchange.