



**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED
JANUARY 31, 2023 and 2022**

(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)

	Notes	January 31 2023	October 31 2022
ASSETS			
Current assets			
Cash and cash equivalents		\$ 206,322	\$ 605,526
Amounts receivable and prepaid expenses	3	377,086	430,634
Total current assets		583,408	1,036,160
Equipment	4	764,211	805,971
Restricted cash		989,780	1,011,948
Mineral properties	5	1	1
Total Assets		\$ 2,337,400	\$ 2,854,080
LIABILITIES			
Current Liabilities			
Trade and other payables		\$ 1,615,199	\$ 1,437,402
Payables to related parties		64,263	49,724
Total current liabilities		1,679,462	1,487,126
Provision for rehabilitation obligation		1,693,197	1,731,119
Total liabilities		3,372,659	3,218,245
EQUITY (DEFICIENCY)			
Share capital	7(a)	86,344,204	86,344,204
Reserves		7,285,818	7,231,187
Accumulated deficit		(94,647,979)	(93,898,641)
Accumulated other comprehensive income/(loss)		(17,302)	(40,915)
Total Equity/(Deficiency)		(1,035,259)	(364,165)
Total Equity and Liabilities		\$ 2,337,400	\$ 2,854,080

Continuance of operations and going concern (Note 1)

Subsequent Event (Note 9)

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

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

/s/ Jessica Van Den Akker

Jessica Van Den Akker
Director

/s/ Robert McLeod

Robert McLeod
Director

Blackwolf Copper and Gold Ltd

Condensed Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months ended January 31	
		2023	2022
Expenses			
Exploration and evaluation expenses	4	\$ 323,855	\$ 679,720
Management fees, director fees, wages and benefits	6	170,081	294,933
Office and other		51,028	75,137
Professional services		33,526	92,190
Regulatory		1,651	12,632
Marketing and investor relations		102,663	123,379
Travel		17,607	5,950
Share-based compensation	7(e)	54,631	63,254
		755,042	1,347,195
Other income/expenses			
Foreign exchange loss (gain)		(157)	4,181
Finance income		(5,547)	(1,718)
Net Loss		749,338	1,349,658
Other comprehensive loss/(income)			
Foreign currency translation adjustment		(23,613)	14,607
Comprehensive loss		\$ 725,725	\$ 1,364,265
Basic and diluted loss per common share		\$ 0.02	\$ 0.04
Weighted average number of common shares outstanding		39,608,945	31,421,383

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)

	For the Three Months Ended January 31		
	Notes	2023	2022
Operating activities			
Loss for the period		\$ (749,338)	\$ (1,349,658)
<u>Non-cash or non operating items:</u>			
Depreciation		24,795	23,001
Stock based compensation		54,631	63,254
<u>Changes in non-cash working capital items:</u>			
Amounts receivable and prepaid expenses		47,640	13,148
Trade and other payables		208,529	(49,305)
Payables to related parties		14,539	742
Net cash used in operating activities		(399,204)	(1,298,818)
Investing activities			
Purchase of plant and equipment		-	(3,006)
Net cash used in investing activities		-	(3,006)
Financing activities			
Proceeds from private placement financing		-	2,852,251
Share issue costs		-	(69,286)
Net cash from financing activities		-	2,782,965
Net decrease in cash and cash equivalents		(399,204)	1,481,141
Cash and cash equivalents - beginning balance		605,526	389,986
Cash and cash equivalents - ending balance		\$ 206,322	\$ 1,871,127

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

BLACKWOLF COPPER AND GOLD LTD

Consolidated Statements of Changes in Equity (Deficiency)

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

	Share capital			Accumulated deficit	Accumulated other comprehensive income/(loss)	Total equity (deficiency)
	Number of common shares	Amount	Reserves			
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	4,074,644	\$ 2,729,892	122,359	-	-	2,852,251
Share issuance costs	-	(85,518)	16,232	-	-	(69,286)
Share based compensation	-	-	63,254	-	-	63,254
Net loss	-	-	-	(1,349,658)	-	(1,349,658)
Other comprehensive income	-	-	-	-	(14,607)	(14,607)
Balance at January 31, 2022	33,148,678	\$ 84,109,474	\$ 6,541,518	\$ (89,246,227)	\$ (3,115)	\$ 1,401,651
Balance at November 1, 2022	39,608,645	\$ 86,344,204	\$ 7,231,187	\$ (93,898,641)	\$ (40,915)	\$ (364,165)
Share based compensation	-	-	54,631	-	-	54,631
Net loss	-	-	-	(749,338)	-	(749,338)
Other comprehensive income	-	-	-	-	23,613	23,613
Balance at January 31, 2023	39,608,645	\$ 86,344,204	\$ 7,285,818	\$ (94,647,979)	\$ (17,302)	\$ (1,035,259)

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 three months ended January 31, 2023 and 2022

(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 Area 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 January 31, 2023, the Company has a working capital deficiency of \$1,096,054 and no source of operating revenue and has accumulated significant losses since inception. The Company is continually seeking opportunities for additional funding and will need to raise funds from equity-based sources on terms which are acceptable to it to carry out planned operations for 2023. However, there can be no assurance that the Company will obtain such financial resources or achieve positive cash flows in the future. On March 6, 2023, the Company announced a brokered private placement to raise up to \$7.5 million with the right to increase the total amount raised up to \$8.5 million (Refer to Subsequent Event Note 9).

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, 2022, 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 April 3, 2023.

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2023 and 2022

(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, 2022.

3. AMOUNTS RECEIVABLE AND OTHER PREPAID EXPENSES

	January 31 2023	October 31 2022
Sales tax receivable	\$ 102,124	\$ 98,088
Prepaid expenses	83,041	146,904
Deposits	136,164	139,203
Other receivables	55,757	46,439
	\$ 377,086	\$ 430,634

4. EQUIPMENT

	Office equipment	Field equipment	Total
Cost			
Balance, October 31, 2021	\$ 39,359	\$ 929,513	\$ 968,872
Acquisitions during the period	3,006	406,282	409,288
Disposition during the period	-	(194,664)	(194,664)
Translation adjustment	-	107,678	107,678
Balance, October 31, 2022	42,365	1,248,809	1,291,174
Translation adjustment	-	(27,357)	(27,357)
Balance, January 31, 2023	\$ 42,365	\$ 1,221,452	\$ 1,263,817
Accumulated depreciation			
Balance, October 31, 2021	\$ 11,799	\$ 367,136	\$ 378,935
Depreciation for the period	9,667	94,822	104,489
Dispositions for the period	-	(39,154)	(39,154)
Translation adjustment	-	40,933	40,933
Balance, October 31, 2022	21,466	463,737	485,203
Depreciation for the period	1,748	23,047	24,795
Translation adjustment	-	(10,392)	(10,392)
Balance, January 31, 2023	\$ 23,214	\$ 476,392	\$ 499,606
Carrying amounts			
As at October 31, 2022	\$ 20,899	\$ 785,072	\$ 805,971
As at January 31, 2023	\$ 19,151	\$ 745,060	\$ 764,211

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2023 and 2022

(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 January 31, 2023	Niblack Project	Hyder Area Properties	Total
Project and support contract services	38,492	22,944	61,436
Camp and site support	94,200	175	94,375
Depreciation	23,047	-	23,047
Geology and report preparation	36,285	39,023	75,308
Transport	16,255	-	16,255
Field travel	9,386	-	9,386
Environmental and permitting	44,048	-	44,048
Total	\$261,713	\$ 62,142	\$ 323,855

For the Three Months ended January 31, 2022	Niblack Project	Hyder Properties	Total
Claims maintenance	\$ 5,742	\$ -	\$ 5,742
Project and support contract services	243,918	5,778	249,696
Camp and site support	149,847	-	149,847
Depreciation	20,753	-	20,753
Fuel	24,442	-	24,442
Underground support supplies	33,931	-	33,931
Drilling	25,133	-	25,133
Geology	48,662	4,539	53,201
Transport	32,068	-	32,068
Field travel	58,642	-	58,642
Environmental and permitting	24,161	2,104	26,265
Total	\$667,299	\$ 12,421	\$ 679,720

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

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(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 three months ended January 31, 2023, the Company paid or accrued \$Nil (2022 - \$27,649) for office space to a private company controlled by a common director.

(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 three months January 31, 2023, total key management compensation was \$201,425 (2022 - \$263,917) which includes management fees and salaries of \$154,167 (2022 - \$216,000) and share based compensation of \$47,258 (2021 - \$ 47,917).

7. SHARE CAPITAL AND RESERVES

(a) Authorized Share Capital

At January 31, 2023 the authorized share capital consisted of an unlimited (October 31, 2022 - unlimited) number of common shares without par value and an unlimited (October 31, 2022 - unlimited) number of preferred shares with no par value. At January 31, 2023 and October 31, 2022, only common shares were issued and outstanding. All issued shares are fully paid.

(b) Share Issuances

For the three months January 31, 2023

There were no share issuances during the three months ended January 31, 2023.

For the year ended October 31, 2022

In August 2022, the Company issued 333,360 flow-through shares (the "FT Shares") by 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. The finder warrants have been recorded at a fair value of \$1,731. 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 3.4%, expected life of 1.0 years, expected volatility rate of 75.00% and a dividend rate of 0.00%. The Company paid or accrued \$1,574 in fees related to the share issuance. There was no flow-through premium liability recorded on issuance of the FT shares as the difference between the fair value and the issuance price of its FT shares was nominal.

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2023 and 2022

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In July 2022, the Company issued 6,126,607 units (the “July 2022 Units”) by a private placement at a price of \$0.45 per July 2022 Unit, for aggregate gross proceeds of \$2,756,973. Each July 2022 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 allocated \$551,395 of the proceeds to the value of the warrants. The Company paid finder’s fees of \$81,004 and issued 127,870 finder warrants. Each finder warrant is exercisable to acquire one common share 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 “December 2021 Units”) by private placement at a price of \$0.70 per December 2021 Unit, for aggregate gross proceeds of \$2,852,251. Each December 2021 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 allocated \$122,239 of the proceeds to the value of the warrants. 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.

(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, 2021	1,787,500	\$0.99
Granted	1,525,000	\$0.65
Forfeited/Expired	(747,500)	\$0.93
Balance October 31, 2022	2,565,000	\$0.81
Forfeited/Expired	(56,750)	\$0.70
Balance January 31, 2023	2,508,250	\$0.81

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2023 and 2022

(Expressed in Canadian dollars, unless stated otherwise)

As of January 31, 2023, the following stocks options were outstanding:

Expiry Date	Number of options outstanding	Number of options exercisable	Weighted average exercise price
May 1, 2023	18,750	18,750	\$0.70
June 16, 2025	100,000	100,000	\$0.80
June 30, 2025	30,000	30,000	\$0.85
September 9, 2025	992,500	755,000	\$1.00
April 20, 2026	82,500	62,500	\$1.00
May 12, 2026	10,000	5,000	\$1.24
February 2, 2027	150,000	37,500	\$0.70
April 4, 2027	824,500	206,250	\$0.70
August 2, 2027	300,000	75,000	\$0.45
	2,508,250	1,290,000	

As of January 31, 2023, there were no other award outstanding under the Share Incentive Plan.

(d) Warrants

A summary of warrant transactions are summarized as follows:

	Number of warrants outstanding	Weighted average exercise price
Balance October 31, 2021	134,100	\$0.90
Granted	8,392,717	\$0.66
Expired	(134,100)	\$0.90
Balance October 31, 2022 and January 31, 2023	8,392,717	\$0.85

As of January 31, 2023, 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
August 9, 2023	23,335	\$0.45
	8,392,717	

Blackwolf Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2023 and 2022

(Expressed in Canadian dollars, unless stated otherwise)

(e) Share Based Compensation Expense

During the three months ended January 31, 2023 and 2022, no stock options were granted.

The Company recognized a share-based compensation expense of \$54,631 for the three months ended January 31, 2023 (2022 – \$ 63,234). As of January 31, 2023, there were 1,218,250 non-vested options outstanding with a weighted average exercise price of \$0.64. The non-vested stock expense not yet recognized was \$231,445. 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 January 31, 2023, 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.

9. SUBSEQUENT EVENTS

- a) In March 2023, the Company announced that it had entered into an agreement with Red Cloud Securities Inc. (the "Agent") to act as sole agent bookrunner in connection with a best efforts private placement (the "Offering") for gross proceed up to \$5.0 million from the sale of units of the Company (each a "Unit") at a price of \$0.20 per Unit and eligible flow-through common shares of the Company (each, a "FT Share", and collectively with the Units, the "Offered Securities") at price of \$0.24 per FT Share. Up to \$2,500,000 in gross in gross proceeds from the Offering will be from the sale of FT Shares.

Each Unit will be comprised of one common share of the Company and one-half of one common share purchase warrant. Each common share purchase whole warrant shall be exercisable to acquire one Common Share (a "Warrant Share") at a price of \$0.35 per Warrant Share for a period of 24 months from the closing of the Offering.

The Agent will have an option, exercisable in full or in part, up to 48 hours prior to the closing of the Offering, to sell up to an additional \$1,000,000 in Units at the same offering price \$0.20 per Unit. If the Offering is completed in full, a total of 30,000,000 Unit Shares and 10,416,667 FT Shares will be issued.

The Company expects the Offering to close in early April 2023.