



Transition Metals

TRANSITION METALS CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED MAY 31, 2023 AND 2022
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

The Company's independent auditor has not yet performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Transition Metals Corp.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at	May 31, 2023	August 31, 2022
ASSETS		
Current assets		
Cash	\$ 735,900	\$ 1,354,322
Restricted cash equivalents (note 3)	50,055	49,956
Accounts receivable	58,107	127,516
Short-term investments	15,000	15,000
Prepaid expenses	97,989	145,343
Marketable securities (note 4)	781,602	1,754,416
Total current assets	1,738,653	3,446,553
Non-Current		
Equity investment in associates (note 5 and 6)	1,013,162	1,285,849
Mineral exploration property acquisition costs (note 10)	57,000	57,000
Equipment (note 7)	35,578	45,653
Total assets	\$ 2,844,393	\$ 4,835,055
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 9)	\$ 160,000	\$ 376,134
SHAREHOLDERS' EQUITY		
Share capital (note 8)	11,312,534	11,284,034
Contributed surplus (note 8)	416,708	330,650
Deficit	(9,044,849)	(7,155,763)
Total shareholders' equity	2,684,393	4,458,921
Total liabilities and shareholders' equity	\$ 2,844,393	\$ 4,835,055

See accompanying notes to these unaudited condensed interim financial statements.

Nature of operations and going concern (note 1)
Contingencies and commitments (note 10 and 13)

Approved on Behalf of the Board:

"Scott McLean"

Director

"Jason Marks"

Director

Transition Metals Corp.

Condensed Interim Statements of Loss Income and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended May 31, 2023	Three Months Ended May 31, 2022	Nine Months Ended May 31, 2023	Nine Months Ended May 31, 2022
Expenses				
Exploration and evaluation expenditures (note 9 and 10)	\$ 18,771	\$ 116,853	\$ 468,765	\$ 103,703
Consultant fees (note 9)	60,790	73,944	178,605	207,959
Depreciation (note 7)	3,358	4,633	10,075	13,609
Investor relations	22,926	36,704	102,874	77,403
Professional fees (note 9)	32,900	39,737	111,258	138,482
Office and general	44,612	65,940	196,508	273,212
Share based compensation (note 8(d) and 9)	269	-	86,055	-
Rent	19,200	11,250	33,750	33,750
Total	202,826	349,061	1,187,890	848,118
Other Items				
Share of loss of equity investment (note 5 and 6)	(112,373)	(132,355)	(272,688)	(370,411)
Gain on dilution (note 6)	-	40,977	-	46,492
Management fee income	-	317	-	5,486
Interest income	352	1	1,122	610
Other income	-	63,947	26,075	92,212
Gain / (loss) on sale of marketable securities (note 4)	72,949	(8,565)	37,044	102,940
Unrealized (loss) gain on marketable securities (note 4)	(49,255)	(1,146,017)	(492,749)	(2,239,439)
Total other items	(88,327)	(1,181,695)	(701,196)	(2,362,110)
Net loss and comprehensive loss for the period	\$ (291,153)	\$ (1,530,756)	\$ (1,889,086)	\$ (3,210,228)
Net loss and comprehensive loss per share				
Basic (note 8(f))	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ (0.06)
Diluted (note 8(f))	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ (0.06)
Weighted average number of common shares outstanding				
Basic (note 8(f))	57,556,389	57,145,841	57,416,800	57,119,540
Diluted (note 8(f))	57,556,389	57,145,841	57,416,800	57,119,540

See accompanying notes to these unaudited condensed interim financial statements.

Transition Metals Corp.
Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the nine months ended May 31,	2023	2022
Operating Activities		
Net loss for the period	\$ (1,889,086)	\$ (3,210,228)
<i>Non-cash adjustment:</i>		
Shares issued for property acquisitions (note 8 and 10)	28,500	13,000
Depreciation (note 7)	10,075	13,609
Property option payments received in shares (note 10)	(17,500)	(644,264)
Gain on sale of marketable securities (note 4)	(37,044)	(102,940)
Unrealized loss on investments (note 4)	492,749	2,239,439
Share based compensation (note 8)	86,058	-
Gain on dilution (note 6)	-	(46,492)
Share of loss of equity investment (note 5 and 6)	272,688	370,411
<i>Net changes in non-cash working capital</i>		
Net changes in restricted cash	(99)	(48)
Net changes in accounts payable and accrued liabilities	(216,135)	(123,031)
Net changes in accounts receivable	69,409	169,523
Net changes in prepaid expenses	47,354	(45,534)
Cash flows used in operating activities	(1,153,031)	(1,366,555)
Investing Activities		
Proceeds on sale of marketable securities	534,609	662,710
Purchase of equipment (note 7)	-	(2,814)
Cash flows from investing activities	534,609	659,896
Net change in cash	(618,422)	(706,659)
Cash, beginning of period	1,354,322	2,807,171
Cash, end of period	\$ 735,900	\$ 2,100,512
Supplemental information		
Marketable securities received from option payments (note 10)	\$ 17,500	\$ 644,265

See accompanying notes to these unaudited condensed interim financial statements.

Transition Metals Corp.**Condensed Interim Statement of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)**

	# of Common shares	Share capital	Options reserve	Warrants reserve	Deficit	Total
Balance, August 31, 2021	57,106,389	\$ 11,271,034	\$ 441,800	\$ 473,651	\$ (3,258,059)	\$ 8,928,426
Shares issued for property acquisitions (note 8(c))	100,000	13,000	-	-	-	13,000
Expiry of options (note 8(d))	-	-	(76,800)	-	76,800	-
Expiry of warrants (note 8(e))	-	-	-	(96,633)	96,633	-
Net loss and comprehensive loss for the period	-	-	-	-	(3,210,228)	(3,210,228)
Balance, May 31, 2022	57,206,389	\$ 11,284,034	\$ 365,000	\$ 377,018	\$ (6,294,854)	\$ 5,731,198
Balance, August 31, 2022	57,206,389	\$ 11,284,034	\$ 330,650	\$ -	\$ (7,155,763)	\$ 4,458,921
Shares issued for property acquisitions (note 8(c))	350,000	28,500	-	-	-	28,500
Share based compensation (note 8(d))	-	-	86,058	-	-	86,058
Net loss and comprehensive loss for the period	-	-	-	-	(1,889,086)	(1,889,086)
Balance, May 31, 2023	57,556,389	\$ 11,312,534	\$ 416,708	\$ -	\$ (9,044,849)	\$ 2,684,393

See accompanying notes to these unaudited condensed interim financial statements.

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Nature of Operations

Transition Metals Corp. ("TMC" or the "Company") was incorporated federally on June 30, 1999. The Company is engaged in the acquisition and exploration of mineral exploration properties in Canada and the United States. The Company's registered office is 100 King Street West, 1 First Canadian Place, Suite 6200, Toronto, Ontario, M5X 1B8.

Going concern

These unaudited condensed interim financial statements have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they become due. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the achievement of the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

The Company raises capital and equity for working capital and exploration and development of its properties. The Company's continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. Management believes that it has sufficient working capital to support operations for the next 12 months. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those presented in these financial statements.

COVID-19

The global outbreak of COVID-19 (coronavirus), has had a significant impact on businesses through restrictions put in place by the Canadian government regarding travel, business operations and isolations/quarantine orders. At this time it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate that this outbreak may cause supply chain disruptions, staff shortages and increased government regulations, all of which may negatively impact the Company's business and financial condition.

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Financial Reporting, Accordingly, they do not include all the information required for full annual financial statements.

The policies applied in these unaudited condensed financial statements are based on IFRSs issued and outstanding as of July 27, 2023, the date the Board of Directors approved these unaudited condensed interim financial statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended August 31, 2022, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending August 31, 2023 could result in restatement of these unaudited condensed interim statements.

Changes in accounting policies

Standards to be adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after September 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IAS 1 - In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 8 - In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 12 - In May 2021, the IASB issued 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023.

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (continued)

Changes in accounting policies (continued)

Standard adopted

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The Company adopted these amendments on September 1, 2022. The amendments had no impact on the unaudited condensed interim financial statement.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The Company adopted these amendments on September 1, 2022. The amendments had no impact on the unaudited condensed interim financial statement.

3. Restricted Cash Equivalents

As at May 31, 2023, the Company held GICs in the aggregate amount of \$50,055 (August 31, 2022 - \$49,956) as security for its corporate credit cards.

4. Investment in Marketable Securities

Entity	May 31, 2023		August 31, 2022	
	Number of Shares	Fair Value	Number of Shares	Fair Value
Class 1 Nickel and Technologies Limited	823,100	\$ 53,502	981,600	\$ 147,240
Forum Energy Metals Corp.	5,025,000	427,125	5,100,000	867,000
Nova Royalty Corp.	25,000	43,250	200,000	338,000
Homerun Resources Inc. (note 10)	400,000	124,000	1,170,588	152,176
McFarlane Lake Mining Inc. (note 10)	935,000	126,225	1,250,000	250,000
Heritage Mining Ltd. (note 10)	100,000	7,500	-	-
Total		\$ 781,602		\$ 1,754,416

During the nine months ended May 31, 2023, the Company realized a gain on sale of marketable securities of \$37,044 (May 31, 2022 - realized gain of \$102,940).

During the nine months ended May 31, 2023, the Company had an unrealized loss on marketable securities of \$492,749 (May 31, 2022 - unrealized loss of \$2,239,439).

During November 30, 2021, 700,000 shares of Homerun Resources were issued to the Company in accordance with the Homathko property agreement (note 10).

5. Investment in SPC Nickel Corp. (formerly Sudbury Platinum Corp.) ("SPC")

TMC entered into a multi-year operating agreement with SPC to provide exploration services related to the Aer Kidd property, the terms of the agreement allow for the Company to earn a 10% management fee on all exploration costs incurred by SPC other than drilling to which a 3% fee was charged.

As at May 31, 2023, the Company's ownership is 7% (August 31, 2022 – 9%). The Company has assessed that it still holds significant influence over SPC as a result of maintaining greater than 20% of the voting rights on the Board.

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

5. Investment in SPC Nickel Corp. (formerly Sudbury Platinum Corp.) ("SPC") (continued)

A continuity of the investment in SPC as an associate is as follows:

Balance, August 31, 2021	\$ 1,236,062
Gain on dilution	9,924
Share of the loss for the year	(372,100)
Impairment of investment	(267,965)
Balance, August 31, 2022	\$ 605,921
Share of the loss for the period	(210,844)
Balance, May 31, 2023	\$ 395,077

Summarized financial information for SPC as at May 31, 2023 and 2022 and for the periods then ended is as follows:

	2023	2022
Total assets	\$ 1,911,464	\$ 5,434,346
Total liabilities	\$ 773,758	\$ 650,397
Total equity	\$ 1,137,706	\$ 4,783,949
Net loss and comprehensive loss	\$ (2,830,120)	\$ (3,501,089)
Cash flows used in operating activities	\$ (2,350,780)	\$ (3,396,394)
Cash flows from investing activities	\$ 20,929	\$ 20,764
Cash flows used in financing activities	\$ (20,120)	\$ 2,947,465

6. Investment in Canadian Gold Miner Corp. ("CGM")

TMC has entered into a multi-year operating agreement with CGM to provide exploration services, the terms of which allow for the Company to earn a 10% management fee on all exploration costs incurred by CGM and administered through the operating agreement with the Company.

As at May 31, 2023, the Company's ownership is 20.34% (August 31, 2022 – 20.34%).

A continuity of the investment in CGM as an associate is as follows:

Balance, August 31, 2021	\$ 807,903
Gain on dilution	18,533
Share of the loss for the year	(146,508)
Balance, August 31, 2022	\$ 679,928
Share of the loss for the period	(61,844)
Balance, May 31, 2023	\$ 618,084

Summarized financial information for CGM as at May 31, 2023 and 2022 and for the periods then ended is as follows:

	2023	2022
Total assets	\$ 295,319	\$ 829,265
Total liabilities	\$ 669,442	\$ 584,412
Total (deficiency) equity	\$ (374,123)	\$ 244,853
Net loss and comprehensive loss	\$ (304,053)	\$ (363,288)
Cash flows (used in) operating activities	\$ (225,151)	\$ (379,814)
Cash flows from investing activities	\$ 54,759	\$ 29,926
Cash flows (used in) from financing activities	\$ (15,959)	\$ 56,158

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

7. Equipment

	Furniture	Vehicles	Exploration Equipment	Total
Cost				
Balance, August 31, 2021	\$ 32,906	\$ 177,705	\$ 56,304	\$ 266,915
Additions	-	-	2,814	2,814
Balance, August 31, 2022 and May 31, 2023	<u>\$ 32,906</u>	<u>\$ 177,705</u>	<u>\$ 59,118</u>	<u>\$ 269,729</u>
Accumulated depreciation and impairment				
Balance at August 31, 2021	\$ 29,727	\$ 124,155	\$ 51,914	\$ 205,796
Additions	560	16,603	1,117	18,280
Balance at August 31, 2022	30,287	140,758	53,031	224,076
Additions	393	8,313	1,369	10,075
Balance at May 31, 2023	<u>\$ 30,680</u>	<u>\$ 149,071</u>	<u>\$ 54,400</u>	<u>\$ 234,151</u>
Net book value August 31, 2022	<u>\$ 2,619</u>	<u>\$ 36,947</u>	<u>\$ 6,087</u>	<u>\$ 45,653</u>
Net book value May 31, 2023	<u>\$ 2,226</u>	<u>\$ 28,634</u>	<u>\$ 4,718</u>	<u>\$ 35,578</u>

8. Share Capital

a) Authorized

An unlimited number of common shares with no par value

An unlimited number of preferred shares, non-voting, non-participating, retractable, redeemable

b) Common shares issued

At May 31, 2023, the issued share capital amounted to \$11,312,534 (August 31, 2022 - \$11,284,034).

c) Transactions

Period ended May 31, 2023

The Company issued 200,000 shares based on the quoted market price for a total value of \$15,000 in satisfaction of an exploration property option payment (see note 10).

The Company issued 150,000 shares based on the quoted market price for a total value of \$13,500 in satisfaction of an exploration property option payment (see note 10).

Year ended August 31, 2022

The Company issued 100,000 shares based on the quoted market price for a total value of \$13,000 in satisfaction of exploration property option payments (see note 10).

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

8. Share Capital (continued)

d) Stock Options

The Company has a stock option plan (the "Plan") for its directors, officers, consultants and key employees under which the Company may grant options to acquire a maximum number of 10% of the total issued and outstanding common shares of the Company. These options are non-transferable and are valid for a maximum of 5 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant at a minimum of the market price of the common shares, subject to all regulatory requirements. Expected volatility has been determined using the share price of the Company for the period equivalent to the life of the options prior to grant date.

At May 31, 2023, the following options were outstanding and available to be exercised:

Number Exercisable	Number Outstanding	Exercise Price	Expiration	Remaining Years	Grant Date Fair Value
1,295,000	1,295,000	\$0.10	January 9, 2024	0.61	\$0.07
2,000,000	2,000,000	\$0.155	December 18, 2025	2.55	\$0.12
1,481,250	1,500,000	\$0.070	September 29, 2027	4.33	\$0.0575
4,776,250	4,795,000			2.59	

On September 29, 2022, the Company granted 1,500,000 incentive stock options to directors, management and employees of the Company, exercisable at \$0.07 per share for a period of 5 years. The grant date fair value of \$0.0575 per option was estimated using the Black-Scholes option pricing model based on the following assumptions: expected life of 5 years, expected volatility of 116%, expected dividend yield of 0%, and a risk free interest rate of 3.32%. 1,475,000 vested immediately, while the remaining 25,000 will vests in increments (6,250 on December 29, 2022; 6,250 on March 29, 2023; 6,250 on June 29, 2023; 6,250 on September 29, 2023).

A summary of stock option activity during the periods ended May 31, 2023 and 2022 is as follows:

	Number of Outstanding Options	Weighted Average Exercise Price (\$)
Outstanding - August 31, 2021	4,105,000	0.14
Expired	(480,000)	0.20
Outstanding - May 31, 2022	3,625,000	0.13
Outstanding - August 31, 2022	3,295,000	0.13
Issued	1,500,000	0.07
Outstanding - May 31, 2023	4,795,000	0.11

e) Warrants

As at May 31, 2023 there are no warrants outstanding.

A summary of warrant activity during the periods ended May 31, 2023 and 2022 is as follows:

	Number of Outstanding Warrants	Weighted Average Exercise Price (\$)
Outstanding - August 31, 2021	10,351,024	0.20
Expired	(1,932,667)	0.23
Outstanding - May 31, 2022	8,418,357	0.20
Outstanding - August 31, 2022 and May 31, 2023	-	-

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

8. Share Capital (continued)

f) Basic and Diluted Loss per Share

Basic income (loss) per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted income per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the year, basic and diluted loss per share are the same, as the inclusion of stock options and share purchase warrants is anti-dilutive.

	Three Months Ended May 31, 2023	Three Months Ended May 31, 2022	Nine Months Ended May 31, 2023	Nine Months Ended May 31, 2022
Weighted average shares outstanding - basic	57,556,389	57,145,841	57,416,800	57,119,540
Dilutive effect of stock options	-	-	-	-
Dilutive effect of warrants	-	-	-	-
Weighted average shares outstanding - diluted	57,556,389	57,145,841	57,416,800	57,119,540
(Loss) income and comprehensive (loss) income per share				
- basic	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ (0.06)
- diluted	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ (0.06)

9. Related Party Balances and Transactions

a) In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key management of the Company for the periods ended May 31, 2023 and 2022 was as follows:

	Three Months Ended May 31, 2023	Three Months Ended May 31, 2022	Nine Months Ended May 31, 2023	Nine Months Ended May 31, 2022
Short term benefits (i)	\$ 97,495	\$ 104,481	\$ 326,673	\$ 333,659
Share based payments	197	-	63,107	-
Accounting fees	13,768	18,180	52,785	40,360
	\$ 111,460	\$ 122,661	\$ 442,565	\$ 374,019

- (i) Short term benefits are included in consultant fees and exploration and evaluation expenditures. Accounts payable and accrued liabilities as at May 31, 2023, is \$45,480 (August 31, 2022 \$54,456) owing to officers and management of TMC. The amounts are unsecured, non-interest bearing, and are due on demand.

During the nine months ended May 31, 2023, the Company paid professional fees of \$52,785 (May 31, 2022 - \$40,360), to Marrelli Support. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at May 31, 2023, Marrelli Support was owed \$15,000 (August 31, 2022 - \$nil) with respect to services provided. The amounts are unsecured, non-interest bearing, and are due on demand.

- b) See also Notes 5, 6 and 8.

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

10. Exploration Properties

As at May 31, 2023, the capitalized balance of mineral exploration property acquisition costs totaling \$57,000 (2022 – \$57,000) are as follows: Homathko - \$52,000 (2022 – \$52,000), Doherty Lake - \$5,000 (2022 – \$5,000).

Summary of exploration and evaluation expenditures (recoveries) for the periods ended May 31, 2023 and 2022:

Property	2023	2022
New project generation expenditures	\$ 42,837	\$ 58,999
Wollaston (c)	6,670	217,694
Sunday Lake (d)	6,380	1,089
Saturday Night (e)	1,108	538
Eva Kitto (e)	-	538
Highland Gold (f)	-	9,245
Maude Lake (g)	269,051	182,787
Cryderman (h)	761	20,298
Duntara (i)	10,043	25,337
Foster (j)	1,645	49,261
Aylmer (k)	(101,100)	77,307
Dundonald	-	1,118
Other (l)	231,370	(540,508)
Totals	\$ 468,765	\$ 103,703

Abitibi Gold – Ontario (a-b)

a) Gowganda Gold

The Company holds an interest in certain mining claims in Nicol, Haultain, and Van Hise townships in the Larder Lake Mining District near the town of Gowganda, Ontario.

Pursuant to a First Nations Memorandum of Understanding ("MOU") there is a 2% commitment to the First Nations on all exploration and evaluation expenditures and up to a \$15,000 commitment per year to fund an Environmental/Elders Committee.

On March 12, 2019, the Company executed an option and joint venture agreement with Battery Minerals Resources Limited ("Battery") whereby Battery could earn up to an 80% interest in the Gowganda Gold project. To earn a 60% interest, Battery must provide option payments totaling \$600,000 over 3 years (\$200,000 received) Battery must complete \$3,400,000 of exploration expenditures over 3 years including a commitment of \$400,000 during the first year. Upon vesting a 60% interest, Battery could have increased its interest to 80% by delivering a feasibility study within three years subject to certain time extension provisions. After earning its 60% or 80% interest in the property, a joint venture would be formed, with each party funding its proportionate share of future work programs or suffering dilution of interest.

On March 1, 2021 the agreement was amended whereby the 2nd years expenditure requirement was waived and total expenditures to earn 60% were reduced to \$2,400,000 in exchange for a cash payment of \$150,000 (received) and the transfer of all gold claims owned by Transition under the Option agreement and those held solely by Battery to the Company. In addition the requirement for Battery to expend 25% of Exploration expenditures under the option was removed.

On March 3, 2022, Battery Minerals notified the Company that it was terminating the Agreement and all property and data controlled by Battery was returned to TMC.

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

10. Exploration Properties (continued)

b) Pipestone – Optioned to Gowest Gold Ltd.

This group of properties located in the Wark, Prosser, Little and Evelyn townships in Ontario, is wholly owned by the Company. On April 27, 2011 and as amended February 3, 2014, the Company entered into an option and joint venture agreement with Gowest Gold Ltd. (“Gowest”) that provides Gowest with the option to acquire a 60% interest or 75% interest in the Pipestone Property. To earn a 60% in the Pipestone Property, Gowest would be required to make cash payments of \$100,000 (\$100,000 received), issue 500,000 common shares of Gowest to the Company (500,000 issued) and incur exploration expenditures of \$1,000,000 by the fourth-year anniversary of the agreement. Furthermore, Gowest retained the one-time option upon vesting its 60% interest to increase its ownership to 75% by issuing an additional 150,000 Gowest common shares to the Company and incurring an additional \$2,000,000 in exploration expenditures within two years.

On April 25, 2016, Gowest vested its initial 60% interest in the property and notified the Company that it would not be increasing its interest to 75%. In 2017, the Company declined its right to maintain its 40% participating right in the project and may have its interest diluted accordingly.

Saskatchewan Copper

c) Wollaston, Saskatchewan

In May 2020 the Company staked certain claims in the Wollaston Basin Copper Belt northern Saskatchewan.

In October of 2020, the Company assigned a 1% NSR on the Wollaston Copper project to Nova Royalties Corp.

d) Sunday Lake

On February 1, 2014, the Company entered into an agreement with Impala Platinum Holdings Inc. (“Implats”), which assigned 100% of rights and interests in properties generated under a strategic alliance to the Company, with the exception of the Sunday Lake Property subject to a 1.0% to 1.5% NSR royalty held by Implats. Currently the Sunday Lake Property is held 25% (free carried interest to completion of a feasibility study) by the Company, 64.99% by Impala Canada, and 10.01% by Implats.

The property is subject to a number of underlying agreements noted below:

Parcels 19889, 19890 and eight claims are subject to an option agreement between the Company and Rio Tinto Explorations Canada Inc. (“RTEC”) dated May 10, 2013. Under the terms of the option agreement, the Company can acquire a 100% interest in the properties by making payments to RTEC totaling \$350,000 (\$225,000 paid) by the third anniversary of the agreement, subject to a payment of \$3,500,000 upon commercial production with an additional payment of \$1,500,000 on or before the first anniversary of commercial production. The Company’s interest in the optioned properties is also subject to a 1.5% NSR held by RTEC, of which 0.5% can be purchased for \$1,000,000. On June 14, 2016, the final payment to RTEC was made thus vesting the joint venture’s 100% interest in the property grouping subject to the pre-production royalty payments and associated NSR noted above.

Parcel 19889, is subject to an underlying agreement between RTEC and a vendor that allows the Company to conduct mineral exploration on the property by making annual rental payments of \$1,132 with an option to purchase the surface and mineral rights by paying the vendors 1.5 times the fair market value of the premises subject to a 1% NSR, of which the Company can purchase 0.5% for \$250,000. This agreement was extended to January 1, 2019. Under the terms of extension, the Company made a \$20,000 payment on signing. This agreement was further extended to January 1, 2021. Under the terms of the extension, the Company made a \$50,000 payment on signing. The agreement is all paid in full until January 1, 2021. Effective January 1, 2021 this agreement was further extended until January 1, 2024.

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

10. Exploration Properties (continued)

d) Sunday Lake (continued)

Under the terms of the agreement the Company must make annual rent payments of \$25,000.

Parcel 6056 and one claim are subject to an assignment agreement between the Company and RTEC dated March 25, 2013 and underlying agreements between RTEC, Peter DeRozea and the Sunday Lake Syndicate. Under the terms of this agreement, the Company can earn a 100% interest by making cash payments totaling \$250,000 by March 31, 2014, subject to a 3% NSR held by the vendors. Upon vesting, pre-production royalty payments of \$40,000 per year to a total of \$200,000 are due, the total of which will be deducted from future production based NSR payments. The Company maintains the right to purchase 2% of the NSR from DeRozea and the Sunday Lake Syndicate for \$2,000,000. During the year ended August 31, 2016, a \$140,000 payment to the Sunday Lake Syndicate was made thus vesting the Joint Venture's 100% interest in the property grouping subject to the pre-production royalty payments and associated NSR noted above. From April 22, 2017 to April 22, 2021, yearly pre-production royalty payments of \$40,000 were made to the vendors totaling \$200,000. No further payments to the vendors are required.

On January 23, 2014, the Company entered into an option to purchase agreement with a private land owner near Sunday Lake. Under the terms of the agreement, the Company must make bi-annual lease payments of \$3,725 until July 2018. The Company retains the right during the option period to purchase a 100% interest in the surface and mineral rights of the property for 1.5 times the fair market value of the unimproved property, subject to a 1% NSR, of which the Company can purchase back 0.5% for \$500,000. This agreement has been extended for a further three years until January 24, 2022. Under the terms of the agreement, the Company must make bi-annual lease payments of \$3,725 until July 2021.

In June of 2017, the Company entered into an option agreement with joint venture partner Implats and North American Palladium Ltd. ("NAP") whereby NAP had the right to acquire Implats' 75% ownership in the Sunday Lake Project by completing work commitments totaling \$4,500,000 and making cash payments of \$3,500,000 over a five year period according to the following schedule: Stage 1: NAP may acquire a 51% controlling interest in the property by completing \$1,500,000 of exploration expenditures and making cash payments of \$75,000 to TMC and \$675,000 to Implats within a two year period (completed); Stage 2: NAP may increase its interest from 51% to 65% by completing an additional \$2,500,000 of exploration expenditures and making further cash payments of \$125,000 to TMC and \$1,125,000 to Implats within a two year period (completed); and Stage 3: NAP may further increase its interest from 65% to 75% by completing an additional \$500,000 of exploration expenditures and making final cash payments of \$150,000 to TMC and \$1,350,000 to Implats within a one year period. TMC retains a 25% free carried interest until the completion of Feasibility Study.

Subsequent to the NAP option agreement execution and completion of Stage 2, Implats purchased NAP and assigned the NAP interest to a wholly owned subsidiary called Impala Canada. On October 15, 2021, Impala Canada notified the Company that it does not intend to complete Stage 3.

e) Thunder Bay – Saturday Night, Owl Lake, Nabish Laker

At May 31, 2023, the Company maintained a 100% interest in property groupings in the Thunder Bay Mining District for which it is seeking partners. These properties include Saturday Night, Owl Lake, and Nabish Lake.

In October of 2020, the Company assigned a 1% NSR on the Saturday Night project to Nova Royalties Corp.

In December of 2021, the Company entered into an Option Agreement to sell a 100% interest in the Nabish Lake project to Heritage Mining Ltd. (Heritage) in consideration of \$10,000 cash on signing (received), and \$10,000 cash and 100,000 common shares of Heritage valued at \$17,500 on the date it was received. The Company received these amount on September 1, 2022.

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

10. Exploration Properties (continued)

f) Highland Gold, Nova Scotia

On August 20, 2018, the Company entered into an option agreement to acquire a 100% interest in the Highland Gold property located in Nova Scotia. The Company has since completed additional staking. On April 1, 2020 the Company was informed that no further approvals for work on the property would be granted until such time as the Government of Nova Scotia concluded consultations with First Nations. On July 29, 2020 the option agreement was amended such that all future requirements under the option agreement were suspended until all permits to continue exploration have been received by the Company. The Company will make cash payment of \$7,500 (to be credited towards the cash portion of the option agreement consideration) on or before April 1 each year during the suspension.

To earn a 100% interest, the Company is required to make cash payments of \$170,000 over four years (\$65,000 paid), issue \$175,000 worth of common shares of the Company (241,325 common shares issued based on VWAP pricing estimated to be worth \$65,000 at the time of issuance) over four years and incur exploration expenditures of \$1,500,000 over five years.

The agreement also provides for a milestone payment by the Company of \$500,000 in cash or shares within 90 days after a commercial production decision. If by the 8th anniversary of the agreement no production decision has been made, a milestone prepayment of \$25,000 per year must be paid to the optionee capped at a total payment of \$500,000. Upon exercise of the option the property is subject to a 1.0% NSR of which the Company can purchase 1.0% of the NSR for \$1,250,000. The optionee has been granted a 1.0% NSR on the adjacent company staked Claims. The Company retains the right to purchase from the optionee the Company granted 1.0% NSR on the adjacent properties for \$500,000.

g) Maude Lake

On December 3, 2018, the Company entered into an option agreement to acquire a 100% interest in the Maude Lake property located in Ontario. Pursuant to the terms of the option agreement, TMC retained the right and option to earn a 100% interest in the property by issuing \$25,000 in cash (paid) and \$25,000 in shares (issued) to the vendor over a 6-month period (see note 8(c)). On October 15, 2019, the Company vested its 100% interest in the property with the vendor retaining a 2% Net Smelter Return royalty ("NSR"). TMC reserves the right to buy back 1.5% of this NSR at any time for \$2,000,000.

In October of 2020, the Company assigned a 1% NSR on the project to Nova Royalties Corp.

h) Cryderman

On April 18, 2019, the Company entered into an option agreement to acquire a 100% interest in the Cryderman Lake property in Ontario. Pursuant to the terms of the option agreement, TMC retained the right and option to earn a 100% interest in the property by issuing \$60,000 in cash (paid) on signing and an additional \$110,000 in cash over a 3 year period and incurring work commitments of \$300,000 over a 3 year period.

On May 11, 2021 the Company announced that it had negotiated an accelerated earn-in with the Vendor to fully vest a 100% interest in the property in exchange for a lump sum payment of \$25,000 in cash (paid) and the issuance of 250,000 shares (issued). In addition, the parties amended the terms of the NSR agreement such that the maximum NSR encumbrance is reduced from 2.0% to 1.5% with TMC retaining the right to buy down 0.5% for \$1.0 million at any time.

i) Duntara

The Company staked a new copper property known as the Duntara Copper in Eastern Newfoundland. The Company retains a 100% interest in this property.

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

10. Exploration Properties (continued)

j) Foster

On November 14, 2019, the Company announced that it had acquired a 100% interest in the Foster property located near the town of Espanola approximately 70 kilometers southwest of Sudbury, Ontario. The property was acquired by staking and two separate purchase and sale agreements. The CJP purchase, of a 100% interest in certain mining claims was secured by issuing \$20,000 in cash and \$20,000 in shares (issued) to the vendor. The vendor retains a 1% NSR on the property with the Company retaining the right to buy back 0.5% NSR for \$500,000. In addition the Company purchased an additional 100% interest in 3 mining claims for \$5,000 in the Foster Township.

On July 24, 2020, the Company executed an option and joint venture agreement with 1930153 Ontario Ltd. ("Ontario Ltd.") whereby Ontario Ltd can earn a up to an 100% interest in the Foster Gold project. To earn a 50% interest, Ontario Ltd. must provide option payments totaling \$120,000 over 4 years (\$45,000 received) Ontario Ltd must complete \$500,000 of exploration expenditures over 4 years. Ontario Ltd may increase its interest to 80%, the buy-up option, by making additional cash payments of \$500,000 and incurring an additional \$1,500,000 of exploration expenditures prior to the second anniversary of the buy-up option.

Ontario Ltd may then further increase its interest to 100%, the second buy-up option, by making additional cash payments of \$4,500,000 prior to the second anniversary of the second buy-up option. Upon exercise of the second buy-up option the company will be granted a NSR Royalty of 2.0%.

k) Aylmer

On May 11, 2020, the Company announced that it had entered into an agreement to earn a 100% interest in the Aylmer IOCG property by making aggregate cash payments of \$102,000; (\$37,000 paid) issuing an aggregate total of 625,000 (225,000 issued) common shares; and incurring exploration work expenditures totaling \$900,000 by May 4, 2024. If the Company exercises its option the vendors will retain a 2.0% Net Smelter Return Royalty (NSR) from any Commercial Production from the property for which TMC may purchase 1.0% of the NSR for \$1,000,000 at any time. On May 4, 2023 the Agreement was amended to defer 2023 payments and shares issuances for one year.

l) Other

As at May 31, 2023, the Company maintained additional ownership interests located in Ontario, New Brunswick, Saskatchewan and British Columbia as follows:

Homathko, British Columbia

The Homathko property consists of 100% owned staked claims in British Columbia. In December, 2020, the Company optioned the Property to Homerun Resources Inc. (formerly, EnviroTek Remediation Inc.). Homerun Resources Inc. could have earn 100% interest in the Property by providing \$10,000 on signing (received), 700,000 shares within six months and a further \$140,000 worth of shares within 3 years. The Company would have retained a 1.0% NSR of which 0.5% can be purchased by Homerun Resources for \$1,000,000.

In October of 2020, the Company assigned a 1% NSR on the project to Nova Royalties Corp.

During November 2021, 700,000 shares of Homerun Resources were issued to the Company in accordance with the property agreement.

On January 27, 2022, the Agreement with Homerun was amended. Under the terms of the amendment, the Area of Interest was expanded from 2 kilometres from the outer property boundary to 25 kilometres. In addition, the royalty was increased from 1.0% NSR (with a buy back option for Homerun of 0.5% NSR for \$1,000,000) to 1.5% NSR (with a buy back option for Homerun of 0.75% NSR for \$1,000,000)

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

10. Exploration Properties (continued)

I) Other (continued)

Homathko, British Columbia (continued)

During April 2022, 470,588 shares of Homerun Resources were issued to the Company in accordance with the property agreement. The contract was terminated in September 6, 2022.

On December 19, 2022 the Company entered into an Option Agreement with Aurum Lake Mining (Aurum). Under the terms of the agreement, Aurum must pay a total of \$470,000 in optional cash payments over two years; \$20,000 on signing; additional \$100,000 following exchange acceptance (the Effective Date); \$150,000 on the first anniversary of the Effective Date; and \$200,000 on the second anniversary of the Effective Date. In addition, Aurum must incur work expenditures on the Property totaling \$500,000 over two years and make a one-time \$5,000,000 lump sum payment to the Optionor upon the commencement of commercial production. Upon vesting an interest in the property, Transition will be granted a 2.0% NSR.

Porterville and Lewisporte, Newfoundland

The Porterville and Lewisporte properties consist of staked claims in Newfoundland.

The Lewisporte property consists of staked claims located to the east of the Porterville property extending from the Bay of Exploits south to Burnt Bay.

Thompson, British Columbia

The Thompson property consists of staked and optioned claims located in the Vernon Mining Division, southeastern British Columbia. The optioned claims are subject to an agreement whereby TMC can earn a 100% interest in exchange for optional payments of \$100,000 (\$10,000 paid) and the issuance of 250,000 common shares of the Company over 4 years subject to a 1.5% NSR retained by the Optionors. Under this agreement TMC retains the option to purchase 0.5% NSR back from the vendors at any time for \$1,000,000.

Bancroft (NI-CU-PGM's)

The Bancroft project is a greenfield exploration project that has seen the benefit of approximately \$5.0 million in exploration expenditures. The property consists of approximately 3,833 hectares of mining claims located in the Southern Mining district near Bancroft, Ontario.

In October of 2020, the Company assigned a 1% NSR on the project to Nova Royalties Corp.

Jolly Gold, Northwest Ontario

On November 24, 2020, the Company announced that it has entered into an option agreement to acquire a 100% interest in certain contiguous mining claims 75 kilometres north of Thunder Bay and has additionally staked new claims of the Beardmore-Geraldton Greenstone Belt. The terms of the option agreement on certain claims grant the Company the option to earn a 100% interest in the optioned claims by issuing \$175,000 in cash to the vendors (\$50,000 paid) and by completing an aggregate of \$250,000 in work expenditures over a 4-year period. If the Company vests its interest, the Vendors will retain a 2% NSR with Transition retaining the right to buy back 1% NSR for \$500,000 and the remaining 1% NSR for an additional \$1.5 million.

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

10. Exploration Properties (continued)

I) Other (continued)

Island Copper - Ontario

On January 25, 2021, the Company announced that it had granted an option on its Island Copper project to Rich Copper Exploration Corp ("Rich Cu"), a private corporation. Under the terms of the Agreement, Rich Cu could have vested a 100% interest in the Property by providing Transition with \$150,000 cash over 3 years (\$25,000 received), 500,000 shares on signing (received) and an additional \$475,000 worth of shares over the following 3 years as well as completion of \$750,000 in exploration expenditures. Transition would have received a 2.5% Net Smelter Return royalty on any future production from the Property and within a 5 kilometre area of interest. In addition, Transition was entitled to milestone payments of \$1,000,000 upon Rich Cu or its assigns completing a Feasibility Study and an additional payment of \$5,000,000 within 12 months of commencement of Commercial Production. Rich Cu can purchase 1% of the NSR for \$1,000,000 anytime prior to commercial production.

The property was returned to the Company and the Option Agreement with Rich Copper was terminated on January 6, 2022.

Pike Warden - Yukon Territory

On June 28, 2022, the Company announced that it had entered into an option agreement to acquire a 100% interest in the Pike Warden Au-Ag-Cu Property located southwest of Whitehorse. Pursuant to an option agreement with the Vendor, Transition retains the option to earn a 100% interest in the property by issuing \$150,000 in cash (\$10,000 on signing), 1,000,000 shares to the Vendor and completing an aggregate of \$1,000,000 in work over a 4-year period. If the Company vests its interest, the Vendor will retain a 1% Net Smelter Return royalty (NSR) and a \$1,500,000 Milestone Payment to be paid within 6 months following Commercial Production being achieved from the Property.

11. Capital Management

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the current size of the Company. There were no changes to its capital management approach during the period ended May 31, 2023 and 2022. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company is dependent on its strategic alliance partners as well as on the capital markets to finance exploration and development activities.

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

12. Financial Instruments and Financial Risk Factors

The Company has established a fair value hierarchy that reflects the significance of inputs of valuation techniques used in making fair value measurements as follows:

- Level One - includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two - includes inputs that are observable other than quoted prices included in level one.
- Level Three - includes inputs that are not based on observable market data.

The financial instruments that are not measured at fair value on the statement of financial position include cash, accounts receivables and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to their short-term nature.

The following table illustrates the classification of the Company's financial instruments, measured at fair value in the statements of financial position as of May 31, 2023 and August 31, 2022 categorized into the levels of the fair value hierarchy.

August 31, 2022	Level 1	Level 2	Level 3	Aggregate Fair Value
Marketable securities	\$ 1,754,416	\$ -	\$ -	\$ 1,754,416
Restricted cash equivalents	-	49,956	-	49,956
Short-term investment	-	15,000	-	15,000
Total	\$ 1,754,416	\$ 64,956	\$ -	\$ 1,819,372

May 31, 2023

Marketable securities	\$ 781,602	\$ -	\$ -	\$ 781,602
Restricted cash equivalents	-	50,055	-	50,055
Short-term investment	-	15,000	-	15,000
Total	\$ 781,602	\$ 65,055	\$ -	\$ 846,657

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no material changes in these risks, objectives, policies and procedures during the periods ended May 31, 2023 and 2022.

Credit Risk

The Company's credit risk is primarily attributable to its amounts receivable. Amounts receivable consist primarily of sales taxes due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to financial instruments included in other assets is low. The Company also received funding from exploration partners including CGM, SPC and the government of Nova Scotia. The Company believes that the credit risk associated with all of these corporations is low. There was no concentration risk as at May 31, 2023 and August 31, 2022. The Company believes that there are no credit risk associated with any customer.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2023, the Company has current assets totaling \$1,738,653 (August 31, 2022 - \$3,446,553) to settle current liabilities of \$160,000 (August 31, 2022 - \$376,134).

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

12. Financial Instruments and Financial Risk Factors (continued)

Price Risk

The Company is exposed to price risk with respect to commodity prices. The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies.

Other price risk typically arises from exposure to equity and commodity securities. If the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant the investment value could have increased or decreased by approximately \$179,476 (August 31, 2022 - \$304,027).

Interest Rate Risk

The Company does not currently have any outstanding variable interest bearing loans and, therefore, the Company is not exposed to interest rate risk through fluctuation in the prime interest rate.

13. Commitments and Contingencies

Environmental Contingencies

The Company's exploration activities are subject to various federal, state, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-through Expenditures

From time-to time, the Company and its associates enter into flow-through financings and indemnify the subscribers of flow-through shares for any tax related amounts that become payable by the subscriber. In the ordinary course of business, the Company is subject to ongoing audits by tax authorities. There are many transactions and calculations for which the ultimate tax determination is uncertain. While the Company believes that its tax filing positions are appropriate and supportable, from time to time, certain matters are reviewed and challenged by the tax authorities. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities.

14. Subsequent events

On June 19, 2023, the Company closed a non-brokered private placement with a total of 9,770,750 units issued for proceeds of \$1,000,014 which included 1,897,000 units (the "Units") at a price of \$0.08 per Unit for gross proceeds of \$151,760; 4,250,000 flow through units (the "FT Units") at a price of \$0.10 per FT Unit for aggregate proceeds of \$425,000 and; 3,623,750 special flow through units in the capital of the Corporation (the "Special FT Units") at a price of \$0.1168 per Special FT Unit for aggregate proceeds of \$423,254 (collectively, the "Private Placement"). Units, FT Units and Special FT Units consist of a common share (each a "Common Share") and a half ($\frac{1}{2}$) common share purchase warrant. Each full warrant will entitle the holder to purchase one additional Common Share for a period of 24 months from closing at a price of \$0.15.

Transition Metals Corp.

Notes to Financial Statements

May 31, 2023 and 2022

(Expressed in Canadian Dollars)

14. Subsequent events (continued)

In addition, a finder's fee was paid in connection with the Offering to finders that include Haywood Securities Inc., Sherbrooke Street Capital Inc. and Accilent Capital Management Inc., that consisted of cash fees in the aggregate amount of \$28,800, representing an aggregate commission of 6% of the Private Placement sold to investors introduced by Finders. In addition, a total of 324,750 broker warrants have been issued to the Finders. Each broker warrant will entitle the holder to purchase a Common Share for a period of 24 months from closing at a price of \$0.15.

On July 19 2023, the Company announced the successful completion of a comprehensive ground fixed loop electromagnetic (EM) survey on its Maude Lake Property near Schreiber, Ontario. Furthermore, the Company received an Ontario Junior Exploration Program (OJEP) grant from the Ontario Government to support the ongoing exploration efforts. Through the OJEP program, Transition was selected to receive up to \$200,000 to cover 50% of eligible explorations costs on the project, aimed at facilitating the exploration of Critical Minerals within Ontario. The receipt of grant funding represents a meaningful milestone, leveraging government support towards advancing the exploration of this high tenor magmatic nickel project.