BRS RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

January 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE TO READER

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 financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of management. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits if materiality and in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"), consistent with International Financial Reporting Standards ("IFRS") appropriate in the circumstances.

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

BRS Resources Ltd.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
As at

		January 31, 2024		October 31, 2023
ASSETS				
Current				
Cash	**$**	**794,641**	$	10,030
GST receivable		**55,350**		47,744
Prepaids *(Note 8)*		**5,600**		2,100
		855,591		59,874
Exploration and evaluation asset *(Note 5)*		**217,251**		217,251
Total Assets	**$**	**1,072,842**	$	277,125
LIABILITIES				
Current				
Accounts payable and accrued liabilities (*Note 8*)	**$**	**241,394**	$	409,261
Convertible debentures (*Note 9*)		**256,697**		236,764
Total Liabilities		**498,091**		646,025
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital (*Note 7)*		**35,184,037**		34,662,476
Reserves (*Note 7)*		**4,076,190**		3,543,751
Equity component of debentures (*Note 9*)		**7,143**		5,600
Subscriptions received in advance		**-**		24,900
Deficit		**(38,692,619)**		(38,605,627)
Total Shareholders' Equity (Deficiency)		**574,751**		(368,900)
Total Liabilities & Shareholders' Equity (Deficiency)	**$**	**1,072,842**	$	277,125

Nature and continuance of operations *(Note 1)*

APPROVED ON BEHALF OF THE BOARD:

"Byron Coulthard"	***"Steve Moore"***
Director	Director

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

BRS Resources Ltd.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended January 31, 2024	2023
Expenses		
Consulting fees *(Note 8)*	**$ 42,973**	$ 30,000
Finance costs *(Note 9)*	**21,476**	9,800
Legal and accounting *(Note 8)*	**48,463**	20,217
Office and general (recovery)	**11,272**	(673)
Promotion and marketing *(Note 8)*	**-**	4,000
Regulatory fees	**1,931**	-
Write-off of accounts payable and accrued liabilities	**(39,123)**	-
Loss and comprehensive loss for the period	**$ (86,992)**	$ (63,344)
Loss per common share – basic and diluted*	**$ (0.00)**	$ (0.01)
Weighted average number of common shares outstanding*	**23,435,053**	13,229,488

Post 10:1 share consolidation *(Note 1)

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

BRS Resources Ltd.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Shares*	Amount	Reserves	Equity component of debentures	Subscriptions received in advance	Deficit	Total
Balance, October 31, 2022	**13,045,394**	**$ 34,209,418**	**$ 3,073,187**	**$ 5,600**	**$ -**	**$ (38,157,036)**	**$ (868,831)**
				-			
Private placement	5,400,000	286,669	253,331	-	-	-	540,000
Share issuance costs – cash	-	(27,300)	-	-	-	-	(27,300)
Share issuance costs – broker's warrants	-	(24,100)	24,100	-	-	-	-
Loss for the period	-	-	-	-	-	(63,344)	(63,344)
Balance, January 31, 2023	**18,445,394**	**34,444,687**	**3,350,618**	**5,600**	**-**	**(38,220,380)**	**(419,475)**
Shares for debt	4,109,224	217,789	193,133	-		-	410,922
Subscription received in advance	-	-	-	-	24,900	-	24,900
Loss for the period	-	-	-	-		(385,247)	(385,247)
Balance, October 31, 2023	**22,554,618**	**34,662,476**	**3,543,751**	**5,600**	**24,900**	**(38,605,627)**	**(368,900)**
Private placement	7,166,666	561,561	513,439	-	(24,900)	-	1,050,100
Share issuance costs – cash	-	(21,000)	-	-	-	-	(21,000)
Share issuance costs – broker's warrants	-	(19,000)	19,000	-	-	-	-
Convertible debenture amendment	-	-	-	1,543	-	-	1,543
Loss for the period	-	-	-	-	-	(86,992)	(86,992)
Balance, January 31, 2024	**29,721,284**	**$ 35,184,037**	**$ 4,076,190**	**$ 7,143**	**$ -**	**$ 38,692,619**	**$ 574,751**

Post 10:1 share consolidation *(Note 1)

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

BRS Resources Ltd.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended January 31, 2024	2023
Operating activities		
Loss for the period	**$ (86,992)**	$ (64,095)
Finance costs	**21,476**	9,800
Write-off of accounts payable and accrued liabilities	**(39,123)**	-
Change in non-cash working capital items:		
GST receivable	**(7,606)**	(2,155)
Prepaid	**(3,500)**	-
Accounts payable and accrued liabilities	**(128,744)**	(70,928)
Cash used in operating activities	**(244,489)**	(127,378)
Financing activities		
Issuance of shares	**1,050,100**	540,000
Share issuance costs	**(21,000)**	(27,300)
Subscription received in advance	**-**	(25,000)
Cash provided by financing activities	**1,029,100**	487,700
Change in cash during the period	**784,611**	360,322
Cash, beginning of the period	**10,030**	27,807
Cash, end of the period	**$ 794,641**	$ 388,129
Supplemental information		
Interest paid	**$ -**	$ -
Taxes paid	**$ -**	$ -
Exploration expenditures included in accounts payable and accrued liabilities	**$ 21,117**	$ -
Fair value of private placements' warrants	**$ 513,439**	$ -
Fair value of broker's warrants	**$ 19,000**	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

BRS Resources Ltd. (the "Company") was incorporated under the Business Corporations Act of British Columbia, and is a reporting issuer in British Columbia and Alberta. The Company is pursuing the acquisition, exploration and evaluation of mineral properties in Canada. The address of its registered head office is 308 - 1441 Johnston Road, White Rock B.C. V4B 3Z7.

On April 28, 2023, the Company consolidated its outstanding common shares on the basis of ten existing shares for one new share. All share and per share amounts in the financial statements have been retroactively restated in these financial statements to reflect the share consolidation.

These condensed interim financial statements have been prepared using accounting principles applicable to a going concern. The going concern basis assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at January 31, 2024, the Company has not yet achieved profitable operations and incurred a net loss of $86,992 (2023 – $63,344). As at January 31, 2024, the Company has a net working capital of $357,500 (October 31, 2023 – deficiency of $586,151) and an accumulated deficit of $38,692,619 (October 31, 2023 – $38,605,627). These circumstances comprise a material uncertainty which may cast significant doubt upon the Company's ability to continue as going concern.

The ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise additional financing to fund its operations. There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Management plans to continue to pursue equity and debt financing to support operations. Management believes this plan will be sufficient to meet the Company's liabilities and commitments as they become payable over the next twelve months. There can be no assurance that management's plan will be successful. Failure to maintain the support of creditors and obtain additional external equity financing will cause the Company to curtail operations and the Company's ability to continue as a going concern will be impaired. The outcome of these matters cannot be predicted at this time.

Over the past year, global stock markets have experienced volatility and a significant weakening in the aftermath of COVID-19. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Volatility in financial markets during the current period may have a significant impact on the Company's financial position. The duration and impact of the higher inflationary environment, as well as the effectiveness of government and central bank responses, remains unclear at this time.

These condensed interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. If the Company is not able to continue as a going concern, the Company may be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim financial statements. These differences could be material.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended October 31, 2023.

The condensed interim financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretation Committee ("IFRIC").

These condensed interim financial statements were authorized for issuance by the Board of Directors on April 1, 2024.

Basis of measurement

The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value as determined at each reporting date. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentational currency

These condensed interim financial statements are presented in Canadian dollars. Items included in the condensed interim financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the parent company is the Canadian dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim financial statements, unless otherwise indicated. The accounting policies have been applied consistently by all group entities and for all periods presented.

Cash and cash equivalents

Cash and cash equivalents may include cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amounts of cash, with maturities of 90 days or less when acquired. As at January 31, 2024 and 2023, the Company did not have any cash equivalents.

Foreign exchange

Foreign currency transactions are translated into each entity's functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. Revenues and expenses denominated in foreign currencies are translated at rates of exchange prevailing on the transaction dates. All gains and losses on translation of these foreign currency transactions are charged to the profit or loss.

Exploration and evaluation assets

All expenditures related to the acquisition, exploration and evaluation of mineral properties are capitalized and deferred on a property-by-property basis, once the legal right to explore the property has been acquired. Costs are capitalized until the project to which the costs relate is sold, abandoned, impaired or placed into production. Exploration costs that are not attributable to a specific property are charged to operations as general exploration expense. Exploration costs incurred prior to the Company acquiring the legal rights to a property are charged to operations as property investigation. During the period ended January 31, 2024, the Company expensed $Nil (October 31, 2023 - $10,975) in costs related to pre-acquisition expenditures.

The carrying values of capitalized amounts are reviewed annually, or when indicators of impairment are present. If it is determined that the carrying amount of an exploration and evaluation asset is impaired, that property is written down to its estimated net realizable value.

Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Basic and diluted loss per share

Basic earnings (loss) per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented. There were no potentially dilutive shares as at January 31, 2024 and 2023.

Share capital

The proceeds from the exercise of stock options, warrants and purchase of shares are recorded as share capital in the amount for which the common share, option or warrant enabled the holder to purchase a share in the Company. All costs related to issuances of share capital are charged against the proceeds received from the related share capital.

The proceeds from the issuance of units is accounted for using the relative fair value method. Under this method, the value is allocated between common shares and common share purchase warrants on a prorated basis as follows: the fair value of common shares is based on the market close on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes Option Pricing Model (the "Black-Scholes Model").

Flow-through shares

Under the Canadian Income Tax Act, an enterprise may issue securities referred to as flow-through shares, whereby the investor may claim the tax deductions arising from qualifying expenditures that the company made with the proceeds. The increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds or "premium" are recorded as a deferred credit. When eligible expenditures are incurred, a deferred tax liability is recognized, and the deferred credit is reversed. The net amount is recognized as a deferred income tax recovery. Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subjected to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based compensation

The Company uses the fair value method of accounting for all share-based awards to non-employees and employees, including those that are direct awards of stock.

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the relevant vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The fair value of options is determined using a Black-Scholes Model. The Black-Scholes Model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates, which are subjective and may not be representative of actual results. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Convertible debentures

Under the Company's convertible debentures policy, the host debt liability, equity conversion feature and other (when applicable) components of convertible debentures are presented separately on the statement of financial position, at initial recognition. The Company determines the carrying amount of the financial liability by discounting the stream of future payments at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows.

The liability component is then increased by accretion of the discounted amounts to reach the face value of the convertible debentures at maturity which is recorded in profit or loss as accretion expense.

The carrying amount of other components (when applicable), such as warrants, is determined using the Black-Scholes Model. The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability and the carrying amounts of any other components (when applicable) from the amount of the convertible debentures, and is presented in equity as an equity component of convertible debentures.

The transaction costs are allocated between the liability and equity components, on a pro-rata basis according to their carrying amounts.

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

During the period ended January 31, 2024, the Company expensed $6,600 (October 31, 2023 - $6,000) for short-term office rent.

Income taxes

The Company follows the liability method to provide for income taxes on all transactions recorded in its financial statements. The liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred income tax assets and liabilities are determined for each temporary difference and for unused tax losses and unused tax credits, as applicable, at rates expected to be in effect when the asset is realized or the liability is settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the statement of loss and comprehensive loss, as appropriate, in the period that includes the substantive enactment date. Deferred tax assets are recognized only to the extent that it is probable that the assets can be recovered.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regard to previous years.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

As of January 31, 2024 and 2023, the Company did not have any decommissioning liabilities.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial assets / liabilities	Classification
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Convertible debentures	Amortized cost

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement

Financial assets and liabilities carried at amortized cost are initially recognized at fair value, plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed through profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Selected investments in equity instruments at FVTOCI are initially recorded at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss). The Company does not hold any financial assets classified as FVTOCI.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset is impaired. The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical judgments, estimates, and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a regular basis and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Specific amounts and disclosures affected by estimates and assumptions are:

Estimates

(i) The provision for income taxes is based on judgments in applying income tax law and estimates on the timing, likelihood and reversal of temporary differences between the accounting and tax base of assets and liabilities.

(ii) Management estimates the discount rate used to evaluate the present value of convertible debentures. The discount rate was determined by comparing debt issuances in similar companies, historical experience of the Company and by assessing macro-economic factors present in the market (Note 9).

(iii) The determination of the fair value of common shares is subject to certain management estimates as the Company is not publicly traded in an active market. The fair market value of the common shares issued was determined by using the cash value paid to purchase shares around the time of issuance (Note 7).

Judgments

(i) The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year (Note 1).

(ii) Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to the entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which the entity operations and is re-evaluated when facts and circumstances indicate that conditions have changed (Note 2).

(iii) Although the Company has taken steps to verify title to mineral properties that it currently has under option, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects (Note 5).

(iv) The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available (Note 5).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical judgments, estimates, and assumptions (continued)

Judgements (continued)

(v) The Company determines the flow-through share premium by allocating the total funds received between common share and flow-through premium liability by first assessing the fair value of the common shares issued, based on market price at issuance, with any excess considered being allocated to warrants (if any) and the flow-through premium (Note 7).

Accounting standards and amendments issued but not yet adopted

The Company has performed an assessment of the new standards issued by the IASB that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's condensed interim financial statements.

4. FINANCIALS INSTRUMENTS AND FINANCIAL RISKS

Fair value

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and convertible debentures. The Company's cash is classified at FVTPL and its accounts payable and accrued liabilities and convertible debentures are carried at amortized cost.

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 as follows:

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

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

The fair value of cash is determined based on Level 1 inputs which consist of quoted prices in active markets for identical assets. As at January 31, 2024 and 2023, the Company believes that the carrying values of its accounts payable and accrued liabilities and convertible debentures approximate their fair values because of their nature and relatively short maturity dates or durations.

4. FINANCIALS INSTRUMENTS AND FINANCIAL RISKS (continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as fair value through profit or loss, and cause fluctuations in the fair value of future cash flows for assets or liabilities measured at fair value. Currently, the Company is not exposed to significant market risk, other than potential interest rate hikes which may impact the discount rates used to present value convertible debentures.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The carrying value of this financial asset represents the Company's maximum exposure to credit risk. The Company manages its credit risk by maintaining its cash in a federally regulated financial institution in Canada.

Foreign Exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. A significant change in the currency exchange rates between the US dollar and the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. However, because most of the Company's financial instruments are denominated in Canadian dollars, the Company does not believe it is subject to any significant foreign exchange risk at this time.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they become due. The Company's financial liabilities consist of its accounts payable and accrued liabilities and convertible debentures. As at January 31, 2024, the Company had a working capital of $357,500 (October 31, 2023 – deficiency of $586,151).

The Company will manage its liquidity risk, by gaining access to funding at market rates through equity and debt markets once it lifts its cease trade order. In the future, the Company may issue new shares, adjust its debt levels or mix between short-term and long-term borrowings.

5. EXPLORATION AND EVALUATION ASSET

Cowtrail Property, British Columbia

During the year ended October 31, 2023, the Company entered into an option agreement with Cariboo Rose Resources Ltd. (the "Vendor") to acquire a 60% interest in the Cowtrail Property located in British Columbia. During the period ended January 31, 2024, the agreement was amended to extend the due dates of the option payments, which have been reflected below.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSET (continued)

Cowtrail Property, British Columbia (continued)

The Company can earn a 60% interest in the property by making the following option payments:

Date	Cash ($)	Common shares (or cash in lieu of shares) ($)	Exploration Expenditures
On obtaining a trading symbol	-	40,000	-
On or before December 19, 2023	-	-	$150,000 (incurred)
On or before December 19, 2024	10,000	20,000	$200,000 additional
On or before December 19, 2025	40,000	40,000	$250,000 additional
On or before December 19, 2026	50,000	50,000	$500,000 additional
On or before December 19, 2027	100,000	50,000	$900,000 additional
Total	200,000	200,000	$2,000,000

The Company will not earn the 60% in the property until all of the option payments are complete. The Company may, at its option, accelerate the exercise of the option at any time by completing the applicable option payments as set forth in the table above.

Upon completion of the option payments and having earned the 60% interest, the Company will enter into a joint venture agreement with the Vendor who owns the remaining 40% interest. The parties agree to pay their pro-rata share of exploration expenditures going forward, failing which their respective interest will be diluted. The Company will be the initial operator of the property.

The Vendor will retain a 2.5% net smelter return royalty if the Company earns an interest of 85% or more in the property. The royalty may be reduced to 1% by a single payment of $2,000,000 to the Vendor.

	Cowtrail Property	Total
Balance, October 31, 2022	$ 217,251	$ 217,251
Exploration costs:		
Consulting	24,270	24,270
Fieldwork	29,588	29,588
Drilling	145,372	145,372
Travel	18,021	18,021
Total exploration costs	217,251	217,251
Balance, October 31, 2023 and January 31, 2024	**$ 217,251**	**$ 217,251**

During the period ended January 31, 2024, the Company expensed $Nil (October 31, 2023 - $10,975) in costs incurred on the Cowtrail Property related to pre-acquisition expenditures.

(Expressed in Canadian Dollars)

6. CAPITAL MANAGEMENT

The Company defines the capital that it manages as its working capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, optimize returns for its owners and to minimize its cost of capital. In meeting its objectives of managing capital, the Company may issue new shares, adjust its debt levels or the mix between short-term and long-term borrowings.

7. SHARE CAPITAL

Common Shares

The Company has authorized unlimited number of common shares without par value.

The following shares have been issued:

	January 31, 2024		October 31, 2023	
	Number	**Amount**	**Number**	**Amount**
Balance	29,721,284	$35,184,037	22,554,618	$ 34,662,476

During the period ended January 31, 2024, the Company:

i) On January 6, 2024, the Company completed a first tranche of private placement by issuing 2,000,000 units at a price of $0.15 per unit for gross proceeds of $300,000, of which $24,900 was received in year ended October 31, 2023. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of $0.15 per common share for a period of three years following the closing of the offering. Of the proceeds, $157,453 was allocated to the shares and $142,547 was allocated to the warrants based on the relative fair value method.

   In connection with the financing, the Company paid $21,000 in finders' fees and issued 140,000 finders' warrants (with a fair value of $19,000). The finders' warrants have the same terms and conditions as the flow-through warrants in the offering.

ii) On January 25, 2024, the Company completed second tranche of private placement by issuing 5,166,666 units at a price of $0.15 per unit for gross proceeds of $775,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of $0.15 per common share for a period of three years following the closing of the offering. Of the proceeds, $404,108 was allocated to the shares and $370,892 was allocated to the warrants based on the relative fair value method.

7. SHARE CAPITAL (continued)

Common Shares (continued)

During the year ended October 31, 2023, the Company:

i) On December 30, 2022, the Company completed a flow-through private placement by issuing 2,000,000 flow-through units at a price of $0.10 per flow-through unit for gross proceeds $200,000. Each flow-through unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of $0.10 per common share for a period of three years following the closing of the offering. Of the proceeds, $106,185 was allocated to the shares and $93,815 was allocated to the warrants based on the relative fair value method.

   In connection with the financing, the Company paid $14,000 in finders' fees and issued 140,000 finders' warrants (with a fair value of $12,400). The finders' warrants have the same terms and conditions as the flow-through warrants in the offering.

ii) On December 30, 2022, the Company completed the first tranche of a non-flow-through private placement by issuing 2,900,000 units at a price of $0.10 per unit for gross proceeds of $290,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of $0.10 per common share for a period of three years following the closing of the offering. Of the proceeds, $153,973 was allocated to the shares and $136,027 was allocated to the warrants based on the relative fair value method.

   In connection with the financing, the Company paid $13,300 in finders' fees and issued 133,000 finders' warrants (with a fair value of $11,700). The finders' warrants have the same terms and conditions as the non-flow-through warrants in the offering.

iii) On January 5, 2023, the Company completed the second tranche the non-flow-through private placement by issuing 500,000 units at a price of $0.10 per unit for gross proceeds of $50,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of $0.10 per common share for a period of three years following the closing of the offering. Of the proceeds, $26,511 was allocated to the shares and $23,489 was allocated to the warrants based on the relative fair value method.

   The Company did not pay any finders' fees in connection with the concurrent offering.

iv) On June 5, 2023, the Company settled $410,992 in accounts payable and accrued liabilities owed to insiders by issuing 4,109,244 units. Each unit consists of one common share and one whole purchase warrant. The warrants are exercisable into common shares at an exercise price of $0.10 for a period of three years. Of the amount settled, $217,789 was allocated to the shares and $193,133 was allocated to the warrants based on the relative fair value method.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Stock options

The Company has established a stock option plan for directors, senior officers, employees, and consultants (the "2023 Plan"). Under the Company's stock option plan, the exercise price of each option is determined by the Board, subject to the discounted market price policies of the relevant exchange. The 2023 Plan provides flexibility to the Company to grant equity-based incentive awards in the form of stock options, restricted share units, performance share units and deferred share units to eligible persons. The 2023 Plan provides that the aggregate maximum number of common shares that may be issued upon the exercise or settlement of awards granted under the 2023 Plan shall not exceed 20% of the Company's issued and outstanding common shares from time to time.

No options were granted or outstanding during the period ended January 31, 2024 and year ended October 31, 2023.

Warrants

	Number of warrants		Weighted average exercise price
Balance at October 31, 2022	-	$	-
Issued	9,782,224		0.10
Balance at October 31, 2023	9,782,224		0.10
Issued	7,306,666		0.15
Balance at January 31, 2024	**17,088,890**	**$**	**0.12**

Number of warrants	Exercise price	Expiry date
2,000,000	$0.10	December 30, 2025
2,900,000	$0.10	December 30, 2025
140,000	$0.10	December 30, 2025
133,000	$0.10	December 30, 2025
500,000	$0.10	January 5, 2026
4,109,224	$0.10	June 5, 2026
2,000,000	$0.15	January 9, 2027
140,000	$0.15	January 9, 2027
5,166,666	$0.15	January 25, 2027
17,088,890		

As at January 31, 2024 the warrants outstanding had a weighted average life of 2.47 years.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Warrants (continued)

The following weighted average assumptions were used for the Black-Scholes valuation of warrants granted under the relative fair value method:

	January 31, 2024	October 31, 2023
Risk-free interest rate	3.80%	3.82%
Exercise price	$0.15	$0.10
Expected life of warrants	3.00 years	3.00 years
Expected annualized volatility	195%	178%
Expected dividend rate	-	-

Volatility is determined based on comparable historical financial information.

8. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate value of transactions relating to key management personnel was as follows:

	January 31, 2024	January 31, 2023
Consulting fees	$ 30,000	$ 30,000
Accounting fees	6,000	6,000
Promotion and marketing	-	4,000
Rent	6,600	-
	$ 42,600	**$ 40,000**

As at January 31, 2024, $69,000 (October 31, 2023 - $66,900) was owing to key management personnel or to a company controlled by director or key management personnel and the amounts were included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

As at January 31, 2024, $5,600 (October 31, 2023 - $2,100) was owing from CEO were included in prepaid.

During the year ended October 31, 2023, the Company entered into an option agreement with a company owned by a Director of the Company, whereby the Company can earn up to a 60% interest in the Cowtrail Property (Note 5).

9. CONVERTIBLE DEBENTURES

On June 1, 2022, the Company closed a private placement offering of unsecured convertible debentures, pursuant to which it issued debentures in the aggregate principal amount of $170,000. The debentures are convertible into units of the Company, at the option of the holder, at price of $0.10 ($0.01 pre-consolidated) per unit. On conversion, each unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional share at an exercise price of $0.10 ($0.01 pre-consolidated) for a period of one year from the date of grant.

The debentures bear interest at 8% per annum from the closing date of the agreements, payable upon the earlier of the maturity date or the date of any conversion thereof. The debentures were set to mature on June 1, 2023, however, the maturity date was amended to August 31, 2024.

On June 10, 2022, the Company closed a private placement offering of unsecured convertible debentures, pursuant to which it issued debentures in the aggregate principal amount of $30,000. The debentures will be convertible into units of the Company, at the option of the holder, at price of $0.10 ($0.01 pre-consolidated) per unit. On conversion, each unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional share at an exercise price of $0.10 ($0.01 pre-consolidated) for a period of one year from the date of grant.

The debentures bear interest at 8% per annum from the closing date of the agreements, payable upon the earlier of the maturity date or the date of any conversion thereof. The debentures were set to mature on June 10, 2023, however, the maturity date was amended to August 31, 2024.

During the year ended October 31, 2023, the Company amended the terms of the convertible debentures to extend the maturity dates from June 1, 2023 and June 10, 2023 to August 31, 2024. As consideration for the amendment, the aggregated principal amount was increased by $20,000, to $220,000. The amendment was accounted for as a modification of the debt whereby, the carrying amount was recalculated using the net present value of the revised cash flows, discounted using the original effective interest rate. The difference of $9,065 representing the loss on debt modification has been recognized in financing costs in the statement of loss and comprehensive loss.

During the period ended January 31, 2024, the Company amended the terms of the convertible debentures to further extend the maturity dates from August 31, 2024 to August 31, 2025. As consideration for the amendment, the aggregated principal amount was increased by $22,000, to $242,000. The amendment was accounted for as a modification of the debt whereby, the carrying amount was recalculated using the net present value of the revised cash flows, discounted using the original effective interest rate. The difference on extension was $12,472, of which $1,543 was allocated to equity component and $10,930 loss on debt modification has been recognized in financing costs in the statement of loss and comprehensive loss.

(Expressed in Canadian Dollars)

9. CONVERTIBLE DEBENTURES (continued)

There were no finders' fees or transaction fees paid in connection with these debentures.

	Liability	*Equity*	*Total*
Balance, October 31, 2022	$ 210,447	$ 5,600	$ 216,047
Modifications due to amendment	9,065	-	9,065
Finance costs	17,252	-	17,252
Balance, October 31, 2023	236,764	5,600	242,364
Modifications due to amendment	10,930	1,543	12,472
Finance costs	9,003	-	9,003
Balance, January 31, 2024	**$ 256,697**	**$ 7,143**	**$ 263,839**