Newfoundland Discovery Corp.

(An exploration stage company)

Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

October 31, 2023 and 2022

Contents

Notice of No Auditor Review

The accompanying unaudited condensed consolidated interim financial statements were prepared by management and approved by the Board of Directors.

The Company's independent auditor has not performed a review of these condensed consolidated interim 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.

Newfoundland Discovery Corp.

(An exploration stage company)

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)
(Unaudited)

	October 31, 2023	April 30, 2023
ASSETS		
Current assets		
Cash and cash equivalents (note 14)	$ 294,174	$ 805,870
Accounts receivable	8,372	19,434
Prepaid expenses and deposits	50,887	74,288
	353,433	899,592
Non-current assets		
Investments (note 5)	882,231	1,285,847
Reclamation bonds (note 6)	13,000	13,000
Exploration and evaluation assets (note 7 and schedules)	10,952,689	11,904,308
	$ 12,201,353	$ 14,102,747
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	$ 296,152	$ 522,041
Site restoration obligation (note 6)	48,967	48,967
	345,119	571,008
SHAREHOLDERS' EQUITY		
Share capital (note 9)	30,419,592	30,386,011
Share-based payment reserve	1,716,898	1,734,898
Accumulated other comprehensive income (loss)	(383,447)	20,169
Deficit	(19,896,809)	(18,609,339)
	11,856,234	13,531,739
	$ 12,201,353	$ 14,102,747

Nature of Operations and Going Concern (note 1)
Commitments (notes 7 and 13)

Approved on behalf of the Board of Directors December 21, 2023

/s/ David Michaud　　　　*/s/ Jeremy Prinsen*

The accompanying Notes and Schedules to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Newfoundland Discovery Corp.

(An exploration stage company)

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended October 31 2023	Three Months Ended October 31 2022	Six Months Ended October 31 2023	Six Months Ended October 31 2022
GENERAL AND ADMINISTRATIVE EXPENSES				
Accounting and audit	$ 746	$ 1,881	$ 746	$ 1,881
Consulting fees (note 10)	40,500	32,405	76,417	77,147
Insurance	3,860	4,360	8,054	8,636
Investor relations and shareholder information	1,446	62,053	5,647	154,113
Legal fees	903	22,853	2,152	26,337
Listing and filing fees	4,853	6,856	7,330	10,595
Management fees (note 10)	69,000	48,000	138,000	105,590
Office	794	490	17,988	2,995
Rent	15,900	10,500	31,800	22,000
Transfer agency fees	2,142	1,556	9,067	3,008
Travel and accommodation	6,533	-	9,818	10,025
	(146,677)	(190,954)	(307,019)	(422,327)
OTHER INCOME (EXPENSES)				
Interest income	-	3,992	49	4,290
Flow-through premium	-	1,364	-	6,748
Write-down of exploration and evaluation assets (note 7 and schedules)	(980,500)	-	(980,500)	-
LOSS FOR THE PERIOD	(1,127,177)	(185,598)	(1,287,470)	(411,289)
OTHER COMPREHENSIVE INCOME (EXPENSE)				
Item that will not be reclassified subsequently to profit or loss				
Unrealized gain (loss) on investments (note 5)	161,898	(351)	(403,616)	(1,031)
TOTAL COMPREHENSIVE LOSS	$ (965,279)	$ (185,949)	$ (1,691,086)	$ (412,320)
LOSS PER SHARE (basic and diluted)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (basic and diluted)	93,226,662	44,818,514	93,123,678	43,774,768

The accompanying Notes and Schedules to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Newfoundland Discovery Corp.

(An exploration stage company)

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital Number	Share Capital Amount	Share-Based Payment Reserve	Accumulated Other Comprehensive Income	Deficit	Total
Balances, April 30, 2022	**42,423,796**	**$ 26,298,333**	**$ 2,013,254**	**$ 1,934**	**$ (16,539,145)**	**$ 11,774,376**
Shares issued for exploration and evaluation assets	3,833,305	408,329	-	-	-	408,329
Reserve for share issuance obligation (note 7)	-	-	(580,000)	-	-	(580,000)
Transfer upon option expiration	-	-	(58,526)	-	58,526	-
Transfer upon warrant expiration	-	124,177	(124,177)	-	-	-
Loss for the period	-	-	-	-	(411,289)	(411,289)
Other comprehensive loss						
Unrealized loss on investments (note 5)	-	-	-	(1,031)	-	(1,031)
Balances, October 31, 2022	**46,257,101**	**$ 26,830,839**	**$ 1,250,551**	**$ 903**	**$ (16,891,908)**	**$ 11,190,385**
Balances, April 30, 2023	**92,643,357**	**$ 30,386,011**	**$ 1,734,898**	**$ 20,169**	**$ (18,609,339)**	**$ 13,531,739**
Shares issued for exploration and evaluation assets	583,305	33,581	(18,000)	-	-	15,581
Loss for the period	-	-	-	-	(1,287,470)	(1,287,470)
Other comprehensive loss						
Unrealized loss on investments (note 5)	-	-	-	(403,616)	-	(403,616)
Balances, October 31, 2023	**93,226,662**	**$ 30,419,592**	**$ 1,716,898**	**$ (383,447)**	**$ (19,896,809)**	**$ 11,856,234**

The accompanying Notes and Schedules to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Newfoundland Discovery Corp.
(An exploration stage company)

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six Months Ended October 31 2023	2022
OPERATING ACTIVITIES		
Loss for the period	$ (1,287,470)	$ (411,289)
Adjustments for items not involving cash:		
Flow-through premium	-	(6,748)
Write-down of exploration and evaluation assets	980,500	-
	(306,970)	(418,037)
Changes in non-cash working capital:		
Accounts receivable	11,062	53,622
Prepaid expenses and deposits	23,401	(375,229)
Accounts payable and accrued liabilities	(225,889)	404,475
Net cash used in operating activities	(498,396)	(335,169)
INVESTING ACTIVITIES		
Investment in exploration and evaluation assets	(13,300)	(457,709)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(511,696)	(792,878)
CASH AND CASH EQUIVALENTS, beginning of period	805,870	1,583,224
CASH AND CASH EQUIVALENTS, end of period (note 14)	$ 294,174	$ 790,346
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Interest received	$ 49	$ 4,290
Income taxes	-	-

Non-cash Transactions (note 15)

The accompanying Notes and Schedules to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Newfoundland Discovery Corp. is incorporated under the laws of the Province of British Columbia, Canada. The Company owns interests in exploration and evaluation assets in the Provinces of Newfoundland and Labrador, Quebec, Ontario and British Columbia, Canada, and its principal business is the exploration and development of those assets. The Company`s head office and principal place of business is 700 – 838 West Hastings Street, Vancouver, British Columbia, Canada.

The Company is in the exploration stage with respect to its exploration and evaluation assets and has not yet determined whether those assets contain ore reserves that are economically recoverable.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's legal interest in the assets, the ability of the Company to obtain the necessary financing to complete development, and future profitable production or proceeds from the disposition of the assets.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and meet its obligations in the ordinary course of business. As of October 31, 2023, the Company had working capital of $8,314 (April 30, 2023 – $328,584), recurring negative cash flows from operating activities, and an accumulated deficit of $19,896,809 (April 30, 2023 – $18,609,339). The Company will need to raise new funds through the sale of shares to maintain operations and carry out its planned exploration.

There is a material uncertainty related to these conditions that may cast significant doubt on the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not reflect adjustments for the possible future effect on the recoverability and classification of the assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty. Should the Company be unable to continue as a going concern, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

2. BASIS OF PRESENTATION

Statement of compliance
These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board.

Measurement basis
These condensed consolidated interim financial statements have been prepared on an historical cost basis except for certain financial instruments that are measured at fair value, including investments. All dollar amounts presented are in Canadian dollars, which is the Company's functional and presentation currency, unless otherwise specified.

2. BASIS OF PRESENTATION (continued)

Basis of consolidation
These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned Canadian subsidiary 1000377311 Ontario Inc. The financial statements of the subsidiary are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. The Company controls a subsidiary when it is exposed, or has the rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed consolidated interim financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the period. Actual outcomes could differ from these judgments and estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the date of the Condensed Consolidated Interim Statements of Financial Position that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to but are not limited to:

Critical accounting judgments
Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company made the following critical accounting judgments:

Business combinations
The application of the Company's accounting policy for business combinations requires management to make certain judgments on a case-by-case basis as to the determination of the accounting method of an acquisition to determine if the assets acquired meet the definition of a business requiring the acquisition method of accounting for a business combination or an asset acquisition by application of the optional asset concentration test. Pursuant to this assessment, the acquisition of 1000377311 Ontario Inc. was determined to be an asset acquisition (note 16).

Exploration and evaluation assets
The application of the Company's accounting policy for exploration and evaluation expenditures 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. Assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available indicating that an exploration and evaluation asset may be impaired, the entity performs a test for recoverability and recognizes an impairment loss if the carrying amount exceeds the recoverable amount.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Critical accounting estimates
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to but are not limited to:

Share-based payments
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for the share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the stock option, expected forfeiture rate, and volatility, and making assumptions about them. The assumptions and models used for estimating fair value of share-based payment transactions are described in notes 4 and 9.

Reclamation and environmental obligations
Reclamation provisions have been recognized based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

Actual reclamation costs will ultimately depend on future market prices for the reclamation costs, which will reflect the market condition at the time reclamation costs are incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments
The Company recognizes a financial asset or financial liability in the Condensed Consolidated Interim Statements of Financial Position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement
The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

a) those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and
b) those to be measured subsequently at amortized cost.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Classification and Measurement (continued)
The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

a) amortized cost;
b) FVTPL if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
c) FVTOCI when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at FVTOCI or amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company's financial assets consist of cash and cash equivalents, investments, and reclamation bonds. Cash and cash equivalents are classified and measured at FVTPL with realized and unrealized gains or losses related to changes in fair value reported in profit or loss, and reclamation bonds are classified at amortized cost. The Company's investments are classified and measured at FVTOCI with realized and unrealized gains or losses related to changes in fair value reported in other comprehensive income. The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment
The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

Cash and cash equivalents
Cash and cash equivalents recorded in the Condensed Consolidated Interim Statements of Financial Position comprise cash at banks and cashable short-term deposits, which are readily convertible into a known amount of cash, and subject to insignificant risk of changes in fair value.

Exploration and evaluation assets

Pre-exploration costs
Pre-exploration costs are costs incurred before the Company has obtained the legal rights to explore a specific area and are recognized in profit or loss.

Exploration and evaluation expenditures
Once the legal right to explore a property has been obtained, costs directly related to exploration and evaluation are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. The costs are accumulated by exploration area and not depreciated pending determination of technical feasibility and commercial viability. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed.

The Company may occasionally enter into farm-out arrangements whereby the Company will transfer part of a mineral interest as consideration for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

Exploration and evaluation expenditures (continued)
The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven or probable reserves exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven or probable reserves have been determined. Upon determination of proven or probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to property, plant and equipment with any carrying amount in excess of the recoverable amount recognized as an impairment in profit or loss at the time of reclassification.

Exploration and evaluation expenditures are classified as intangible assets.

Impairment of long-lived assets
At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell, and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an ordinary transaction between market participants. 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. 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 is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

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 periods. A reversal of an impairment loss is recognized immediately in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and asset acquisitions
The acquisition method of accounting is used to account for acquisitions of businesses and assets that meet the definition of a business under IFRS. Identifiable assets acquired and liabilities (including provisions) assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets acquired, the difference is recognized immediately in profit or loss. Business combination associated transaction costs are expensed when incurred. In determining whether an entity meets the definition of a business, there is an optional concentration test which is a simplified assessment that results in the acquisition being an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If an entity chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process, and the acquisition is accounted for as a business combination. The cost of an acquisition that does not meet the definition of a business under IFRS and does not qualify as a business combination is measured as the fair value of the consideration given and liabilities incurred or assumed at the date of exchange. No goodwill arises on an asset acquisition and the cost of the assets acquired and liabilities assumed are allocated to the assets and liabilities on the basis of their relative fair values at the date of purchase. Asset acquisition associated transaction costs are capitalized as a cost of the acquisition.

Share capital
Common shares, options and warrants are classified as equity. Transaction costs directly attributable to the issue of common shares, options and warrants are recognized as a deduction from equity, net of any tax effects.

The Company bifurcates units which consist of common shares and share purchase warrants using the residual value method, whereby it measures the common share component of the unit at fair value using market prices as input values and then allocates the residual value of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to share-based payment reserve. When warrants are exercised, forfeited or expire, the corresponding value is transferred from share-based payment reserve to share capital.

Warrants issued as finders' and agents' fees are recorded at fair value measured using the Black-Scholes option pricing model. Expected annual volatility is estimated using historical volatility.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Flow-through shares

Resource expenditure deductions for income tax purposes may be renounced to investors in accordance with income tax legislation for flow-through share arrangements. On issuance of flow-through common shares, the Company bifurcates the flow-through share proceeds into: (i) share capital, for the fair value of common shares without a flow-through feature (based on quoted trading prices), and (ii) a flow-through share premium liability, for the amount investors pay for the flow-through feature (in excess of the quoted trading price of the common shares). As resource expenditures are incurred, the Company derecognizes the liability and recognizes other income.

Proceeds from the issuance of flow-through shares are restricted, to be used only for Canadian resource expenditures, and must be incurred within a two-year period before a 10% penalty tax applies on any unspent amount that has been renounced.

Share-based payment transactions

The Company's stock option plan allows its employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based payment with a corresponding increase in share-based payment reserve. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

All share-based payments made to employees and non-employees are measured at fair value. For employees, fair value is measured as the fair value of the equity instruments at the grant date. Share-based payments to non-employees are measured at the fair value of the 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 using the Black-Scholes option pricing model. Expected annual volatility is estimated using historical volatility.

Stock options that vest over time are recognized using the graded vesting method. Share-based payments are recognized as an expense or, if applicable, capitalized to exploration and evaluation assets or share issue costs, with a corresponding increase in reserves. At each financial reporting period, the amount recognized as expense is adjusted to reflect the number of stock options expected to vest. When stock options are ultimately exercised, forfeited or expire, the applicable amounts of reserves are transferred to share capital or deficit.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions (continued)
Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Income taxes
Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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 respect to previous periods.

Deferred tax is provided using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the date of the Condensed Consolidated Interim Statements of Financial Position. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Provisions
Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Site restoration obligation
The Company recognizes the fair value of a legal or constructive liability for a site restoration obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for a site restoration obligation due to the passage of time will be measured by applying an effective-interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

Loss per share
Basic income (loss) per common share is computed by dividing the income (loss) for the period by the weighted average number of common shares outstanding for the period. Diluted per-share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted income (loss) per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period. Diluted loss per share equals basic loss per share where the effect of dilutive instruments would be anti-dilutive.

Comprehensive loss
Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in income (loss), such as unrealized gains or losses on investments, gains or losses on certain derivative instruments, and certain foreign currency gains or losses. The Company's comprehensive income (loss) and components of other comprehensive income (loss) are presented in the Condensed Consolidated Interim Statements of Operations and Comprehensive Loss and the Condensed Consolidated Interim Statements of Changes in Equity.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company
At the date of authorization of these condensed consolidated interim financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current period are not expected to have a material impact on the Company's condensed consolidated interim financial statements.

(Expressed in Canadian Dollars)

5. INVESTMENTS

Investments in shares comprise the following:

	Number of Shares	Cost	Accumulated Unrealized Gain (Loss)	October 31, 2023 Fair Value
Lithos Energy Ltd. (formerly Alchemist Mining Inc.)	500	$ 900	$ (590)	$ 310
Discovery Silver Corp.	2,062	450	849	1,299
Burley Minerals Ltd.	4,770,150	1,264,328	(383,706)	880,622
		$ 1,265,678	$ (383,447)	$ 882,231

	Number of Shares	Cost	Accumulated Unrealized Gain (Loss)	April 30, 2023 Fair Value
Lithos Energy Ltd. (formerly Alchemist Mining Inc.)	500	$ 900	$ (600)	$ 300
Discovery Silver Corp.	2,062	450	1,736	2,186
Burley Minerals Ltd.	4,770,150	1,264,328	19,033	1,283,361
		$ 1,265,678	$ 20,169	$ 1,285,847

During the six-month period ended October 31, 2023, the Company recorded an unrealized loss of $403,616 (2022 – $1,031) in other comprehensive income.

Lithos Energy Ltd. (formerly Alchemist Mining Inc.), Discovery Silver Corp. and Burley Minerals Ltd. are listed companies. The fair value of these investments was determined using quoted market prices at the date of the Condensed Consolidated Interim Statements of Financial Position. In February 2023, the Company received 4,770,150 ordinary shares of Burley Minerals Ltd. with a fair value of $1,264,328, in respect of the sale of the Chubb Property (note 7). In August 2023, Alchemist Mining changed its name to Lithos Energy Ltd.

6. RECLAMATION BONDS AND SITE RESTORATION OBLIGATION

The Company has deposited funds and hypothecated term deposits totalling $13,000 (April 30, 2023 – $13,000) as security to the Province of British Columbia for future mineral claims site reclamation. The term deposits bear interest at a weighted average rate of 2.68% per annum (April 30, 2023 – 1.73%).

The Company has recognized a site restoration obligation of $48,967 (April 30, 2023 – $48,967) in respect of the reclamation of its exploration and evaluation assets. The Company expects to incur these costs within the next 12 months. A summary of the changes in the Company's site restoration obligation for the periods ended October 31, 2023 and April 30, 2023 is as follows:

	October 31, 2023	April 30, 2023
Balance, beginning of period	$ 48,967	$ 148,967
Reclamation activities undertaken	-	(100,000)
Balance, end of period	$ 48,967	$ 48,967

7. EXPLORATION AND EVALUATION ASSETS

Bursey and Grub Property

In May and June 2021, the Company entered into two option agreements and one purchase agreement to acquire 258 mineral claims comprising 6,450 hectares approximately 45 kilometres northeast of Gander, Newfoundland. To exercise the options and acquire the claims, the Company paid $25,500 (all of which has been paid) and issued 792,000 shares (all of which have been issued, with a fair value of $0.43 per share) and must incur $325,000 of exploration expenditures (of which, $300,000 has been incurred) on the claims within two years (amended to three years in May 2023). A portion of the claims is subject to a 1% net smelter returns royalty and a portion is subject to a 2% net smelter returns royalty of which the Company may purchase three-quarters at any time for $2,000,000. The Company paid a finder's fee of 9,990 shares with a fair value of $0.41 per share in respect of one of the options. The Company permitted the Bursey East claims to lapse and recognized a write-down of $50,500 during the period. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Chubb and Bouvier Property

In 2017, the Company acquired 37 mineral claims covering approximately 1,594 hectares located near Val d'Or, Quebec, Canada by paying $60,000 cash, issuing 600,000 common shares with a fair value of $0.54 per share, and granting a 2% gross metal royalty to the vendor. The Company also paid a finder's fee of 42,000 common shares with a fair value of $0.54 per share in respect of the transaction. A portion of the property is also subject to a 1% net smelter returns royalty which can be repurchased for $200,000.

In December 2022, the Company entered into a definitive agreement to sell 100% interest in the Bouvier Property. The Company closed the sale of the Bouvier Property in December 2022 for $275,000 in cash.

In February 2023, the Company closed the sale of the Chubb Property for $500,000 and 4,770,150 ordinary shares of Burley Minerals Ltd., a company listed on the Australian Securities Exchange with a fair value of $1,264,328, determined using quoted market prices on the closing date of the agreement.

Pursuant to these sale transactions, the Company paid finders' fees of $54,250, issued 1,142,857 common shares at their fair value of $0.14 per share ($160,000 total) for finder's fees and recorded a gain on sale of exploration and evaluation assets of $421,911. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Dickison Lithium Property

In March 2023, the Company entered into an option agreement to acquire 330 mineral claims comprising 6,933 hectares approximately 54 kilometres north of Terrace Bay, Ontario. To exercise the options and acquire the claims, the Company must pay the optionors $128,000 (of which $26,000 has been paid) and issue 1,000,000 shares (of which 600,000 have been issued, with a fair value of $0.145 per share for a total of $87,000) within three years. The property is subject to a 1.5% net smelter returns royalty, of which the Company may purchase 0.5% for $750,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

7. EXPLORATION AND EVALUATION ASSETS (continued)

Goldson Property

In September 2021, the Company entered into an option agreement to acquire 221 mineral claims comprising 5,525 hectares located approximately 58 kilometres northeast of Gander, Newfoundland. To exercise the option and acquire the claims, the Company must pay the optionors $150,000 (of which $50,000 has been paid), issue 1,950,000 shares (of which 600,000 shares with an aggregate fair value of $150,000 have been issued) within three years, and grant to the optionors a 2% net smelter returns royalty of which the Company may purchase half at any time for $1,000,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

For the year ended April 30, 2023, the Company elected to terminate its Goldson Property option due to a comprehensive project review that determined that resources should be allocated to more strategically aligned properties. Accordingly, the Company recognized a write-down of $248,485. In connection with the termination, the Company issued 300,000 common shares to the optionors.

Newlands Lithium Property

In April 2023, the Company entered into an option agreement to acquire 11 mineral claims comprising 4,962 hectares approximately 70 kilometres southwest of Hearst, Ontario. To exercise the options and acquire the claims, the Company must pay the optionors $128,000 (of which $26,000 has been paid) and issue 1,000,000 shares (of which 600,000 have been issued, with a fair value of $0.145 per share for a total of $87,000) within three years. The property is subject to a 1.5% net smelter returns royalty, of which the Company may purchase 0.5% (one-third) for $750,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Northbound Property

In February 2020, the Company entered into an option agreement to purchase 21 mineral claims comprising 1,162 hectares located approximately 85 kilometres northwest of the town of Matagami in northern Quebec. The Company exercised its option in September 2020 by paying to the optionors a total of $135,000 cash, issuing 3,600,000 common shares with a fair value of $0.41 per share and granting to the optionors a 3% net smelter returns royalty. The Company may purchase two-thirds of the royalty at any time for $1,000,000.

In March and July 2020, the Company purchased an additional 35 mineral claims covering 1,914 hectares adjacent to the original Northbound claims for $20,000 cash, 250,000 common shares with a fair value of $0.40 per share, and a 3% net smelter returns royalty relating to 29 of those claims. The Company may purchase two-thirds of the royalty at any time for $1,500,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Robinson's Salt Property

In September 2022, the Company acquired 2 mineral licenses totalling 10 claim blocks and covering 250 hectares within the Codroy Group on the southwestern coast of Newfoundland, Canada by issuing 2,000,000 common shares with a fair value of $0.08 per share ($160,000 total). The property is subject to a 2% net smelter returns royalty, of which the Company may purchase 1% (being 50%) for $1,000,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

7. EXPLORATION AND EVALUATION ASSETS (continued)

Rodgers Cove Property
In June 2021, the Company entered into an option agreement to acquire 147 mineral claims comprising 3,675 hectares approximately 45 kilometres north of Gander, Newfoundland. To exercise the option and acquire the property, the Company must pay the optionors $35,000 (all of which has been paid), issue 849,915 shares (all of which have been issued, with a fair value of $0.21 per share), incur $250,000 of exploration expenditures (all of which has been incurred) on the claims within two years, and grant to the optionors a 2% net smelter returns royalty of which the Company may purchase three-quarters at any time for $2,000,000. The Company paid a finder's fee of 84,990 shares with a fair value of $0.41 per share in respect of the option. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Southern Star Property
In June 2020, the Company purchased 219 mineral claims comprising 12,156 hectares located northwest of the town of Matagami, Quebec and south of the Company's Northbound Property for a total of $26,500 cash, 750,100 common shares with a fair value of $0.44 per share, a 3% net smelter returns royalty over 143 of the claims of which two-thirds of the royalty may be repurchased for $3,000,000, and a 1.5% net smelter returns royalty over 76 of the claims of which half of the royalty may be repurchased for $500,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Southwest Pond Property
In July 2021, the Company entered into an agreement to purchase 318 mineral claims comprising 7,950 hectares in northeastern Newfoundland. Under the agreement, the Company must pay the vendors $60,000 (all of which has been paid) and issue 1,500,000 shares (all of which has been issued with a fair value of $0.28 per share). The Company permitted the claims to lapse and recognized a write-down of $930,000 during the period. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Sugaree Property
In January 2023, the Company acquired 340 claims comprising 2,376-hectares located in the Quetico Subprovince located roughly 15 kilometres south of Hearst, Ontario (see note 16). In February 2023, the Company internally staked an additional 223 mineral claims in the surrounding area. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Unity Group Property
In July 2021, the Company acquired five claim blocks comprising 366 mineral claims covering 9,150 hectares in northeastern Newfoundland for $150,000, 3,200,000 shares with a fair value of $0.50 per share ($1,600,000 total), and a 2% net smelter returns royalty of which the Company may purchase half for $1,500,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

Urban Thunder Property
In 2017, the Company acquired 20 mineral claims covering approximately 1,127 hectares in the Windfall Lake area of Quebec, Canada for $20,000, 750,000 shares with a value of $0.16 per share, and a 2% net smelter returns royalty. The Company also paid a finder’s fee totaling 75,000 shares with a value of $0.16 per share. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Valentine Mountain Property
In 2008 and 2009, the Company acquired a 100% interest in 25 mineral claims comprising approximately 7,188 hectares and two overlying placer claims comprising 43 hectares on Valentine Mountain located 50 kilometres west northwest of Victoria, British Columbia, Canada for total consideration of $39,158 and 29,167 common shares of the Company valued at $270,000. One of the claims is subject to a 5% net smelter returns royalty, which the Company may repurchase for $1,000,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Voltstone Property
In July 2023, the Company internally staked 266 mineral claims in northwestern Ontario. The property is located less than 10 kilometres from Pegmatite One Lithium and Gold Corp.’s Frazer Lake Mound Property. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

8. FLOW-THROUGH SHARE PREMIUM

A summary of the changes to the Company’s flow-through share premium liability during the periods ended October 31, 2023 and April 30, 2023 is as follows:

	October 31, 2023	April 30, 2023
Balance, beginning of period	$ -	$ 271,628
Flow-through share premium upon the issuance of flow-through common shares	-	-
Extinguishment upon incurring qualifying resource expenditures	-	(271,628)
Balance, end of period	$ -	$ -

9. SHARE CAPITAL

Authorized
An unlimited number of common shares without par value.

Issued
In June 2023, the Company issued 300,000 common shares with a fair value of $0.06 per share ($18,000 total) in respect of the termination of the Goldson Property option agreement.

In June 2023, the Company issued 283,305 common shares with a fair value of $0.055 per share ($15,581 total) in respect of an option to purchase exploration and evaluation assets (Rodgers Cove Property).

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

Issued (continued)
In May 2022, the Company issued 283,305 common shares with a fair value of $0.16 per share ($45,329 total) in respect of an option to purchase exploration and evaluation assets (Rodgers Cove Property).

In July 2022, the Company issued 1,000,000 common shares with a fair value of $0.135 per share ($135,000 total) pursuant to the Southwest Pond Property agreement.

In August 2022, the Company issued 200,000 common shares with a fair value of $0.115 per share ($23,000 total) for the option to purchase exploration and evaluation assets (Schefferville Property).

In September 2022, the Company issued 350,000 common shares with a fair value of $0.10 per share ($35,000 total) for the option to purchase exploration and evaluation assets (Goldson Property). The Company also issued 2,000,000 common shares with a fair value of $0.08 per share ($160,000 total) for the purchase of exploration and evaluation assets (Robinson's Salt Property).

Share purchase warrants
The continuity of warrants during the periods ended October 31, 2023 and April 30, 2023 is as follows:

	October 31, 2023		April 30, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of period	6,988,099	$ 0.17	3,576,241	$ 0.78
Issued	-	-	5,954,199	0.10
Expired	-	-	(2,542,341)	0.85
Balance, end of period	6,988,099	$ 0.17	6,988,099	$ 0.17

A summary of share purchase warrants outstanding as of October 31, 2023 and April 30, 2023 is as follows:

		Number of Warrants Outstanding and Exercisable	
Exercise Price Per Share	Expiry Date	October 31, 2023	April 30, 2023
$0.75	November 24, 2023	20,000	20,000
$0.60	November 24, 2023	981,750	981,750
$0.60	December 20, 2023	32,150	32,150
$0.10	February 9, 2025	5,954,199	5,954,199
Balance, end of period		6,988,099	6,988,099

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

Share-based payments

The Company has an equity-settled stock option plan under which the Board of Directors may grant options to directors, officers, other employees and consultants. The purpose of the plan is to advance the interests of the Company by encouraging these individuals to acquire shares in the Company and thereby remain associated with, and seek to maximize the value of, the Company.

Under the plan, the number of shares reserved for issuance pursuant to the exercise of all options under the plan may not exceed 10% of the issued and outstanding common shares on a non-diluted basis from time to time. The options expire not more than 10 years from the date of grant or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant.

The Company granted no stock options during the six-month periods ended October 31, 2023 and 2022,

A summary of the Company's outstanding and exercisable stock options as of October 31, 2023 and April 30, 2023, and the changes for the periods ending on those dates is as follows:

	October 31, 2023			April 30, 2023		
	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
Balance, beginning of period	5,700,000	$ 0.25	2.7	2,050,000	$ 0.68	3.0
Granted	-	-		4,150,000	0.07	
Expired	-	-		(500,000)	0.48	
Balance, end of period	5,700,000	$ 0.25	2.2	5,700,000	$ 0.25	2.7

A summary of stock options outstanding as of October 31, 2023 and April 30, 2023 is as follows:

		Number of Stock Options Outstanding and Exercisable	
Exercise Price Per Share	Expiry Date	October 31, 2023	April 30, 2023
$0.75	October 9, 2025	1,550,000	1,550,000
$0.07	February 28, 2026	4,150,000	4,150,000
		5,700,000	5,700,000

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel transactions
Key management personnel are those persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. The Company has identified its directors, Chief Executive Officer, and Chief Financial Officer as its key management personnel and has determined the companies they control to be management entities. The compensation costs for key management personnel for the six-month periods ended October 31, 2023 and 2022 are as follows:

	2023	2022
Management fees paid to a corporation controlled by the Company's former Chief Executive Officer	$ -	$ 16,000
Management fees paid to a corporation controlled by the Company's Chief Executive Officer	60,000	35,000
Management fees paid to a director	12,000	12,000
Management fees paid to a corporation controlled by the Company's former Chief Financial Officer	-	12,190
Management fees paid to the Company's Chief Financial Officer	36,000	16,000
Consulting fees paid to a director	6,000	6,000
	$ 114,000	$ 97,190

As at October 31, 2023, $3,100 (2022 – $14,810) was due to key management personnel and management entities and is included in accounts payable and accrued liabilities on the Condensed Consolidated Interim Statements of Financial Position.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is the carrying value of its financial assets, which comprise cash, cash equivalents and reclamation bonds held with high creditworthy financial institutions, and which total $307,174 (April 30, 2023 – $818,870). In the opinion of management, none of the Company's financial assets were exposed to significant credit risk as at October 31, 2023 or April 30, 2023.

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company had cash and cash equivalents at October 31, 2023 in the amount of $294,174 (April 30, 2023 – $805,870) in order to meet short-term business requirements. At October 31, 2023, the Company had current liabilities of $345,119 (April 30, 2023 – $571,008). Accounts payable have contractual maturities of approximately 30 days or are due on demand and are subject to normal trade terms, and amounts due to related parties are without stated terms of interest or repayment (see note 1 – Nature of Operations and Going Concern).

11. FINANCIAL INSTRUMENTS (continued)

Market Risk
Market risk consists of interest rate risk, foreign currency risk and other price risk. These are discussed further below.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk has two components:

a) The Company is exposed to interest rate cash flow risk on floating-rate financial instruments.
b) The Company is exposed to interest rate fair value risk on fixed-rate financial instruments.

The Company's cash is currently held on deposit at a major bank. Management considers the interest rate risk to be minimal.

Foreign Currency Risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to material foreign currency risk.

Other Price Risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with respect to its investments as they are carried at fair value based on quoted market prices. Based on the investments balance as at October 31, 2023, a 10% change in share prices would have affected the Company's total comprehensive loss for the period by approximately $88,223.

Fair Value of Financial Instruments
IFRS 13 – *Fair Value Measurement* – establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

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

The fair value of the Company's cash and cash equivalents and investments is categorized as Level 1 in the Fair Value Hierarchy. The fair value of the Company's reclamation bonds approximates their carrying value because they bear interest at prevailing market rates. The fair value of the Company's accounts payable and accrued liabilities approximates their carrying values because of the short-term or on-demand nature, as applicable, of these instruments.

(Expressed in Canadian Dollars)

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of cash. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at October 31, 2023, the Company had $11,856,234 of capital (April 30, 2023 – $13,531,739), a decrease in capital of $1,675,505 during the six-month period ended October 31, 2023 (2022 – $583,991).

The Company is not subject to any externally imposed capital requirements.

13. COMMITMENTS

Pursuant to consulting agreements with the Chief Financial Officer and companies controlled by the Chief Executive Officer and the Corporate Secretary, the Company is committed to monthly fees of $6,000, $10,000 and $5,000, respectively. The agreements may be terminated by any party upon 90 days written notice.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank balances and cashable short-term deposits with banks. Cash and cash equivalents included in the Condensed Consolidated Interim Statements of Cash Flows comprise the following amounts:

	2023	2022
Bank balances	$ 294,174	$ 21,153
Short term deposits restricted for exploration	-	769,193
Balance, end of period	$ 294,174	$ 790,346

15. NON-CASH TRANSACTIONS

During the six-month period ended October 31, 2023, the Company issued 283,305 shares with a fair value of $15,581 in respect of options to purchase exploration and evaluation assets and recognized an increase to share capital and a reduction to the share-based payment reserve upon issuance of 300,000 common shares at their fair value of $18,000 in respect of the Goldson Property termination (see note 7).

During the six-month period ended October 31, 2022, the Company issued 3,833,305 shares with a fair value of $408,329 in respect of options to purchase and agreements to purchase exploration and evaluation assets. In addition, the Company reversed a previously recorded reserve for an obligation to issue 1,000,000 shares with a fair value of $580,000 upon the issuance of the shares.

(Expressed in Canadian Dollars)

16. ASSET ACQUISITION

On January 16, 2023, the Company, 1000377311 Ontario Inc. and the shareholders of 1000377311 Ontario Inc. entered into a share purchase agreement pursuant to which the Company agreed to purchase all of the issued and outstanding shares of 1000377311 Ontario Inc. from the shareholder of 1000377311 Ontario Inc. in exchange for $20,000 and an aggregate of 32,000,000 common shares of the Company. The transaction closed on January 20, 2023 and the Company's stock price was $0.08. The fair value of the common shares was determined to be $2,560,000. 1000377311 Ontario Inc. is the sole beneficial owner of the Sugaree property a 2,376-hectare mineral lithium exploration property located in the Quetico Subprovince located roughly 15 kilometres south of Hearst, Ontario.

As 1000377311 Ontario Inc. did not constitute a business, the transaction was accounted for as an asset acquisition.

The fair values of the consideration, assets acquired, and liabilities assumed were as follows:

Consideration given:	**$**
32,000,000 common shares	2,560,000
Cash	20,000
	2,580,000

Net assets acquired:	**$**
Accounts payable and accrued liabilities assumed	(11,702)
Exploration and evaluation assets	2,591,702
	2,580,000

Newfoundland Discovery Corp.
(An exploration stage company)

Schedule of Exploration and Evaluation Assets
(Expressed in Canadian Dollars)
(Unaudited)

Six months ended October 31, 2023

	Bursey & Grub	Dickison	Newlands	Northbound	Robinson's Salt	Rodgers Cove	Southern Star	Subtotal
Balance, April 30, 2023	$676,341	$113,000	$86,000	$1,823,200	$160,000	$589,862	$1,220,325	$4,668,728
Acquisition costs incurred in the period								
Option payments, shares	-	-	-	-	-	15,581	-	15,581
Other	-	-	-	-	-	-	-	-
	-	-	-	-	-	15,581	-	15,581
Exploration costs incurred in the period								
Geological consulting	-	-	-	-	-	-	-	-
Reclamation	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Write-down	(50,500)	-	-	-	-	-	-	(50,500)
Balance, October 31, 2023	$625,841	$113,000	$86,000	$1,823,200	$160,000	$605,443	$1,220,325	$4,633,809

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Newfoundland Discovery Corp.
(An exploration stage company)

Schedule of Exploration and Evaluation Assets
(Expressed in Canadian Dollars)
(Unaudited)

Six months ended October 31, 2023

	Subtotal (continued)	Southwest Pond	Sugaree	Unity Group	Urban Thunder	Valentine Mountain	Voltstone	Total
Balance, April 30, 2023	$4,668,728	$930,000	$2,591,702	$1,898,686	$223,981	$1,591,211	$-	$11,904,308
Acquisition costs incurred in the period								
Option payments, shares	15,581	-	-	-	-	-	-	15,581
Other	-	-	1,500	1,075	-	-	10,000	12,575
	15,581	-	1,500	1,075	-	-	10,000	28,156
Exploration costs incurred in the period								
Geological consulting	-	-	-	-	-	600	-	600
Reclamation	-	-	-	-	-	125	-	125
	-	-	-	-	-	725	-	725
Write-down	(50,500)	(930,000)	-	-	-	-	-	(980,500)
Balance, October 31, 2023	$4,633,809	$ -	$2,593,202	$1,899,761	$223,981	$1,591,936	$10,000	$10,952,689

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Newfoundland Discovery Corp.
(An exploration stage company)

Schedule of Exploration and Evaluation Assets
(Expressed in Canadian Dollars)
(Unaudited)

Six months ended October 31, 2022

	Bursey & Grubb	Chubb & Bouvier	Goldson	Northbound	Robinson's Salt	Rodgers Cove	Schefferville	Southern Star	Southwest Pond	Unity Group	Urban Thunder	Valentine Mountain	Total
Balance, April 30, 2022	$518,225	$1,381,503	$150,985	$1,823,200	$ -	$299,334	$ -	$1,214,358	$930,000	$1,890,086	$216,243	$1,578,540	$10,002,474
Acquisition costs incurred in the period													
Option payments, cash	-	-	30,000	-	-	-	-	-	-	-	-	-	30,000
Option payments, shares	-	-	35,000	-	-	45,329	23,000	-	-	-	-	-	103,329
Purchase payments, shares	-	-	-	-	170,000	-	-	-	(445,000)	-	-	-	(275,000)
	-	-	65,000	-	170,000	45,329	23,000	-	(445,000)	-	-	-	(141,671)
Exploration costs incurred in the period													
Assays	162,898	897	-	-	-	185,031	-	-	-	-	-	-	348,826
Drilling	-	31,311	-	-	-	-	-	-	-	-	-	-	31,311
Geological	-	-	-	-	-	-	-	-	-	-	-	600	600
Option revenue	-	(10,000)	-	-	-	-	-	-	-	-	-	-	(10,000)
Reclamation	-	-	-	-	-	-	-	-	-	-	-	6,972	6,972
	162,898	22,208	-	-	-	185,031	-	-	-	-	-	7,572	377,709
Balance, October 31, 2022	$681,123	$1,403,711	$215,985	$1,823,200	$170,000	$529,694	$23,000	$1,214,358	$485,000	$1,890,086	$216,243	$1,586,112	$10,238,512

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements