Spark Energy Minerals Inc. (formerly St. Anthony Gold Corp.)

Condensed Interim Consolidated Financial Statements

For the nine months ended

April 30, 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying unaudited condensed interim consolidated financial statements of Spark Energy Minerals Inc. (formerly St. Anthony Gold Corp.) ("Spark Energy Minerals" or the "Company") for the interim periods ended April 30, 2023 and 2022 have been prepared in accordance with the International accounting Standard 34 - Interim Financial Reporting as issued by the International Accounting Standards Board and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim financial statements.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Prepared by Management)

As at April 30, 2023 and July 31, 2022

	Note	**April 30, 2023 $**	July 31, 2022 $
Assets			
Current assets			
Cash		21,449	330,639
Marketable securities	3	41,960	230,000
Sales tax receivable		51,131	50,695
Prepaid expenses		54,017	115,002
		168,557	726,336
Non-current assets			
Loan receivable	7	1,816,287	200,504
Exploration and evaluation assets	4	3,557,970	-
Total assets		**5,542,814**	926,840
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		816,207	757,722
Due to related parties	8	80,605	32,320
Total liabilities		**896,812**	790,042
Shareholders' equity			
Share capital	5	21,299,541	16,063,082
Reserves	5	1,399,356	1,004,914
Contributed surplus	5	7,467,213	7,467,213
Share subscriptions received	5	214,915	-
Share subscriptions receivable	5,8	(78,520)	-
Deficit		(25,656,503)	(24,398,411)
Total shareholders' equity		**4,646,002**	136,798
Total liabilities and shareholders' equity		**5,542,814**	926,840

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Approved on behalf of the Board of Directors on June 29, 2023:

"Peter Wilson" **Director** *"Eugene Hodgson"* **Director**

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

Spark Energy Minerals Inc. (formerly St. Anthony Gold Corp.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

For the nine months ended April 30, 2023 and April 30, 2022

	Number of shares #	Share capital $	Reserves $	Contributed surplus $	Share subscriptions received $	Share subscriptions receivable $	Deficit $	Total shareholders' equity $
July 31, 2021	30,632,350	15,217,082	969,275	7,467,213	-	-	(20,782,044)	2,871,526
Private placement - non-flow-through units	7,750,000	681,000	-	-	-	(50,000)	-	631,000
Shares issued for services	125,000	25,000	-	-	-	-	-	25,000
Common shares issued - exploration and evaluation assets	808,375	100,000	-	-	-	-	-	100,000
Share issue costs		(14,998)	4,498					(10,500)
Share-based compensation	-	-	72,708	-	-	-	-	72,708
Re-allocated on expiry of options	-	-	(82,790)	-	-	-	82,790	-
Loss and comprehensive loss for the period	-	-	-	-	-	-	(2,855,949)	(2,855,949)
April 30, 2022	39,315,725	16,008,084	963,691	7,467,213	-	(50,000)	(23,555,203)	833,785
July 31, 2022	42,315,725	16,063,082	1,004,914	7,467,213	-	-	(24,398,411)	136,798
Private placement - non-flow-through units	58,979,633	2,683,220	61,690	-	-	-	-	2,744,910
Common shares issued - debt settlement	1,284,985	96,374	-	-	-	-	-	96,374
Common shares issued - exploration and evaluation assets	41,165,000	2,608,250	94,131	-	-	-	-	2,702,381
Share issue costs	-	(151,385)	-	-	-	-	-	(151,385)
Shares cancelled due to non-payment	(625,000)	-	-	-	-	-	-	-
Share-based compensation	-	-	357,865	-	-	-	-	357,865
Re-allocated on cancellation of options	-	-	(72,708)	-	-	-	72,708	-
Options lapsed	-	-	(46,536)	-	-	-	46,536	-
Share subscriptions received	-	-	-	-	214,915	-	-	214,915
Share subscriptions receivable	-	-	-	-	-	(78,520)	-	(78,520)
Loss and comprehensive loss for the period	-	-	-	-	-	-	(1,377,336)	(1,377,336)
April 30, 2023	**143,120,343**	**21,299,541**	**1,399,356**	**7,467,213**	**214,915**	**(78,520)**	**(25,656,503)**	**4,646,002**

On November 15, 2021, the Company completed a consolidation of its common shares on a basis of one post-consolidated common share for every four pre-consolidated common shares. The Company has restated all number of share and per share information for the effect of this consolidation.

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

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

For the nine months ended April 30, 2023 and April 30, 2022

	Note	Three months ended		Nine months ended	
		April 30, 2023 $	April 30, 2022 $	**April 30, 2023 $**	April 30, 2022 $
Expenses					
Consulting and management fees	8	59,852	75,436	297,660	211,286
Meals and entertainment	8	17,500	-	19,500	-
Office facilities and administration		29,716	6,210	87,642	40,821
Professional fees	8	166,621	42,470	249,159	140,204
Public relations and advertising	8	226,883	-	316,756	7,048
Share-based compensation	5,8	-	-	357,865	72,708
Transfer agent and filing fees		16,653	6,590	30,187	19,439
Loss from operating expenses		**(517,225)**	(130,706)	**(1,358,769)**	(491,506)
Impairment of exploration and evaluation assets	4	-	(124)	(17,500)	(2,367,391)
Interest income	7	38,393	-	83,208	-
Other income on settlement of flow-through premium liability		-	-	-	2,948
Gain (loss) on disposal of marketable securities	3	(30,716)	-	(84,275)	-
Loss and comprehensive loss for the period		**(509,548)**	(130,830)	**(1,377,336)**	(2,855,949)
Loss per share					
Weighted average number of common shares outstanding					
- basic #	6	**131,530,193**	35,545,396	**87,173,186**	33,759,921
- diluted #	6	**131,530,193**	35,545,396	**87,173,186**	33,759,921
Basic loss per share $	6	**(0.00)**	(0.00)	**(0.02)**	(0.08)

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

Spark Energy Minerals Inc. (formerly St. Anthony Gold Corp.)

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited – Prepared by Management)

For the nine months ended April 30

	Note	**2023** **$**	2022 $
Operating activities			
Loss for the period		(1,377,336)	(2,855,949)
Impairment of exploration and evaluation assets	4	-	2,367,267
Share-based compensation	5,8	357,865	72,708
Interest income	7	(83,208)	-
Other income on settlement of flow-through premium liability	5	-	(2,948)
Issue of common shares for services	5	-	25,000
Unrealized loss on marketable securities	3	84,275	-
Net change in non-cash working capital items	10	263,693	(17,414)
		(754,711)	(411,336)
Financing activities			
Issue of common shares/units for cash	5	2,683,220	631,000
Share subscriptions received	5	214,915	-
Share subscriptions receivable	5	(78,520)	-
Share issue costs	5	(89,695)	(10,500)
		2,729,920	620,500
Investing activities			
Marketable securities disposition proceeds	3	103,765	-
Prepaid exploration expenditures		-	(100,000)
Mineral property acquisition costs	4	(675,000)	-
Exploration and evaluation expenditures	4	(180,589)	(159,543)
Loan receivable	7	(1,532,575)	-
		(2,284,399)	(259,543)
Net increase in cash		**(309,190)**	(50,379)
Cash, beginning of period		**330,639**	95,257
Cash, end of period		**21,449**	44,878

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

1. Nature of operations and going concern

Spark Energy Minerals Inc. (formerly St. Anthony Gold Corp.) (the "Company") was incorporated on April 19, 2000, under the laws of the province of British Columbia, Canada. The Company's shares are traded on the Canadian Securities Exchange (the "CSE") under the symbol "EMIN". The Company is in the business of exploration and evaluation of mineral property interests in Ontario and Quebec. Effective January 3, 2023, the Company changed its name to Spark Energy Minerals Inc.

The head office, principal address and records office of the Company are located at 702 - 595 Howe Street, Vancouver, B.C. V6C 2T5.

The Company's principal business activity is the acquisition, exploration and evaluation of mineral properties. The Company has been exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral properties are based on costs incurred to date, and do not necessarily represent present or future values.

These condensed interim consolidated financial statements (the "financial statements") are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The Company does not have revenues and has incurred operating losses since incorporation. As at April 30, 2023, the Company had a working capital deficit of $728,255 (July 31, 2022 –$63,706). The Company will continue to seek the funding necessary to enable it to carry on as a going concern, but management cannot provide assurance that the Company will be able to raise additional debt and/or equity capital or conclude a corporate transaction. If the Company is unable to raise additional funds in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. Management is aware in making its assessment of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company will continue to seek cost-saving measures, project partners, merger/acquisition or financing opportunities where available. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited consolidated financial statements for the year ended July 31, 2022, and do not include all the information required for full annual consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited consolidated financial statements.

These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on these financial statements are presented in Canadian dollars which is the functional currency of the Company.

(b) Standards issued but not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after August 1, 2022. The Company has reviewed these updates and determined that many of these updates are not applicable or consequential to the Company and therefore have been excluded from discussion within these significant accounting policies.

(c) Principles of consolidation

Subsidiaries are entities controlled by the Company and are included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company.

These financial statements include the accounts of the Company and its controlled subsidiaries as follows:

Name	Status	Ownership	Place of Incorporation
Maxtech Mining Zambia Ltd.	Inactive	100%	Zambia
Emerging Minerals Corp. ("Emerging Minerals")	Inactive	53%	BC, Canada
Exercised International Ltd. ("Eotheme")	Inactive	100%	Wyoming, USA

All intercompany balances and transactions between the Company and its subsidiaries have been eliminated on consolidation.

3. Marketable securities

Balance - July 31, 2022	$	230,000
Disposals		(103,765)
Loss on disposal of marketable securities		(84,275)
Balance - April 30, 2023	**$**	**41,960**

Marketable securities consist of 294,000 shares of Trillium Gold Mines Inc. received in connection with the sale of the Panama Lake Gold Project (note 4).

4. Exploration and evaluation assets

Changes in the project carrying amounts for the nine months ended April 30, 2023 and April 30, 2022 are summarized as follows:

	Panama Lake Gold Project $	James Bay Project $	St. Anthony Gold Project $	Minas Gerais and Bahia Lithium Project and Goas Rare Earth Elements Project $	Burgeo Lithium Project $	Lithium Valley Lithium Project $	Nova Energia Lithium Project $	Total $
Balance, July 31, 2021	839,564	5,535	1,838,597	-	-	-	-	2,683,696
Acquisition	100,000	-	-	-	-	-	-	100,000
Administration	-	-	211,158	-	-	-	-	211,158
Assay testing	-	-	37,412	-	-	-	-	37,412
Equipment rental	-	-	69,348	-	-	-	-	69,348
Geologist and consulting	-	-	210,752	-	-	-	-	210,752
Impairment	-	-	(2,367,267)	-	-	-	-	(2,367,267)
Balance, April 30, 2022	939,564	5,535	-	-	-	-	-	945,099
Balance, July 31, 2022	-	-	-	-	-			-
Acquisition	-	-	-	1,308,250	25,000	1,100,000	944,131	3,377,381
Assay testing	-	-	-	30,168	-	-		30,168
Geologist and consulting	-	-	-	75,421	33,400	-		108,821
Licensing	-	-	-	-	41,600	-		41,600
Balance, April 30, 2023	-	-	-	**1,413,839**	**100,000**	**1,100,000**	**944,131**	**3,557,970**

<u>Panama Lake Gold Project</u>

On October 22, 2019, the Company entered into an option agreement with Benton Resources Inc. ("Benton") to acquire the right to acquire a 100% interest in Benton's Panama Gold Project in the Red Lake Mining district, Ontario. The purchase and sale of the claims is to be achieved in stages and is conditional upon the following:

- Acceptance for filing of the agreement on behalf of the issuer by the Canadian Securities Exchange (completed);
- The issuance of 2,000,000 shares upon signing the agreement (issued at a fair value of $170,000 ($0.085 per share);
- The payment of either $100,000 cash or the equivalent value in common shares (issued 416,667 common shares at a fair value of $100,000 ($0.24 per share)) (note 5(i)) and expenditures by the issuer of $200,000 (incurred) on the property by the first anniversary; and
- The payment of either $100,000 cash or the equivalent value in common shares (issued 808,375 common shares at a fair value of $100,000 (note 5(c)) and expenditures by the issuer of $250,000 (incurred) on the property by the second anniversary.

At this stage, the Company will have earned an initial 50% interest in the Project. To earn an additional 20% interest, the following is required:

- The payment of either $100,000 cash or the equivalent value in common shares and expenditures by the issuer of $250,000 on the property by the third anniversary.

4. Exploration and evaluation assets (continued)

Panama Lake Gold Project (continued)

At this stage, the Company will have earned a 70% interest in the Project. To earn the final 30% interest, the following is required:

- The payment of either $300,000 cash or the equivalent value in common shares and expenditures by the issuer of $300,000 on the property by the fourth anniversary.

On June 1, 2022, the Company signed a Purchase and Sale Agreement (“P+S Agreement”) to sell all of its rights and title to the Panama Lake Gold Project to Trillium Gold Mines Inc. (“Trillium”). Pursuant to an Assignment and Assumption Agreement (the “A+A Agreement”), entered into on the closing of the transactions under the P+S Agreement, the Company assigned all of its rights and obligations under the original option agreement to Trillium. In addition, pursuant to the A+A Agreement, Benton agreed to consent to the assignment and agreed to register 100% of the property's title to Trillium while retaining its 50-per-cent ownership interest in the property until such time as Trillium fulfills its option to earn 100% interest.

Pursuant to the terms of the P+S Agreement, at closing, Trillium paid the Company $500,000 in cash and issued 1,000,000 common shares in the capital of Trillium with a fair value of $240,000 (Note 3). In the event Trillium acquires a 100% interest in the property, the Company may cause Trillium to exercise its buyback right under the option agreement to repurchase from Benton one-half of the 2% net smelter return royalty on the property and convey such repurchased 1% net smelter return royalty to the Company in exchange for a cash payment by the Company to Trillium of $1,000,000. The common shares of Trillium issued under the P+S Agreement are subject to a four-month holding period from the closing date.

During the year ended July 31, 2022, the Company recorded a loss on sale of mineral property of $203,301 in connection with the sale of the Panama Lake Gold Project.

James Bay Project

In January 2020, the Company signed a land package acquisition in James Bay Quebec. The Company wrote-off the James Bay Project and recorded an associated impairment of exploration and evaluation assets of $5,535 during the year ended July 31, 2022.

St. Anthony Gold Project

On October 14, 2020 (the “Effective Date”), the Company entered into a Definitive Joint Venture Earn-in Agreement (the “JV Agreement”) with Magabra Resources Inc. (“Magabra”), which superseded a Letter of Intent dated August 10, 2020. Pursuant to the JV Agreement, the Company and Magabra will jointly explore a series of claims compiling the St. Anthony Gold Project located in the Kenora-Patricia mining district in Ontario, Canada.

Pursuant to the JV Agreement, the Company can earn an initial 8% interest (the “First Option”) as follows:

- Issuing to Magabra a total of 1,000,000 common shares (issued at a fair value of $260,000 ($0.26 per share)) (note 4);
- Payment of $300,000 to Magabra (paid);
- Completing a financing of at least $3,000,000 within 30 days of the Effective Date; and
- Issuing to Magabra a total of 25,000 warrants with an exercise price of $0.32 and a maturity date that is two years from issuance (issued at a fair value of $12,264) (note 4).

The Company can earn an additional 8% interest (the “Second Option”) as follows:

- On completion of the First Option, completing a financing of at least $3,000,000 within 30 days.

The Company can earn an additional 34% interest (the “Third Option”) as follows:

- On completion of the Second Option, completing a financing of at least $12,000,000 within 12 months of the Effective Date.

4. Exploration and evaluation assets (continued)

St. Anthony Gold Project (continued)

On completion of the Third Option, the Company will have earned a 50% interest in the claims. Further, the JV Agreement includes the provision for a bonus payment to Magabra in the form of 4,000,000 common shares of the Company, so long as Magabra has a continued interest in the claims and upon completion of a National Instruments 43-101 compliant proven resource calculation for the first 1,000,000 ounces of gold identified, with an additional 1,000,000 common shares issuable for each additional 1,000,000 ounces under similar resource calculations.

Magabra will serve as project manager for all work programs to be conducted on the claims. As at July 31, 2021, the Company had advanced $430,571 towards future exploration work.

On March 15, 2021, the Company and Magabra signed a new option agreement whereby the Company now has an exclusive right to acquire an undivided 100% interest in the St. Anthony gold mine property. The first phase of a 5,000 metre initial drill program continues and Magabra remains the operator in respect to drilling and production at the property.

Magabara and the Company agreed to accelerate the first option of a 30% undivided interest in the property, which will be earned as follows. Under this first option, the Company's commitment to the first 5,000 metre drill program of approximately $1,500,000 remains in place. The Company will issue to Magabra under a voluntary escrow agreement 30,000,000 restricted common shares with no one shareholder having greater than 10% of the issued and outstanding shares of the Company, such shares to be released as follows: 10% or 3,000,000 restricted shares issuance immediately with a 4 month hold legend, and 15% every 6 months thereafter with each release having the same terms (the "Restricted Share Consideration"). Magabra also has the right to appoint 2 directors to the board of the Company.

The Company has a second option to earn a total of 65% with an additional 35% interest in the property. This option will include the next drill phase of 10,000 metres at an approximated drill budget cost of $1,500,000 per 5,000 metres. Magabra will be required to produce a 43-101 report of mineral reserves after the 15,000-metre drill program to the Company.

The Company can acquire the remaining 35% interest for a full 100% ownership at the St. Anthony gold property by committing to another drill program for further exploration on the property of $3,000,000.

To date, the Company has not issued the Restricted Share Consideration, nor has it appointed the directors. On March 31, 2022, the Company received formal termination of the JV Agreement between Magabra and the Company. The Company elected to write-off the St. Anthony Gold Project and recorded an associated impairment of exploration and evaluation assets of $2,418,250 during the year ended July 31, 2022.

Burgeo Lithium Project

On August 5, 2022, the Company entered into an option agreement to acquire the right to acquire a 100% interest in the Burgeo lithium asset located in Burgeo, Newfoundland. The purchase and sale of the claims is to be achieved in stages and is conditional upon the following:

- The payment of $25,000 cash (paid) and issuance of 250,000 common shares of the Company (pending);
- Completion of $100,000 of qualified expenditures on the property by December 31, 2022 ($75,000 incurred as at April 30, 2023); and
- Completion of $100,000 of qualified expenditures on the property by December 31, 2023.

4. Exploration and evaluation assets (continued)

Minas Gerais and Bahia Lithium Project and Goas Rare Earth Elements Project

On December 22, 2022, the Company entered into a Mineral Claims Purchase Agreement with Foxfire Metals Pty. Ltd. ("Foxfire") to acquire a 75% interest in certain mining claims and associated rights of Foxfire's Minas Gerais and Bahia Lithium Project in the Brazilian states of Minas Gerais and Bahia and Foxfire's Goas Rare Earth Elements Project in the Brazilian state of Goas. The commercial terms of the transaction are as follows:

- Payment of $250,000 to Foxfire (completed);
- Issuance of 21,165,000 common shares of the Company to Foxfire (issued at a fair value of $1,058,250 ($0.05 per share)) (note 5) under the following escrow terms:
  · 50 percent subject to a statutory hold period of four months and a day,
  · 30 percent subject to a voluntary hold/escrow period of nine months, and
  · 20 percent subject to a voluntary hold/escrow period of nine months;
- Maintenance of the existing net smelter and gross sales royalties totaling two per cent held by the original vendors remains, with a buyback provision of 50 percent for $1,000,000;
- Maintenance of management rights of the project by Foxfire for two years with both parties to formulate an agreed upon expenditure budget for the period; and
- The Company being granted the first right of refusal to acquire Foxfire's remaining 25 percent equity interest in the Minas Gerais and Bahia Lithium Project.

Lithium Valley Lithium Project

On February 1, 2023, the Company closed on a mineral claims purchase agreement with Talisman Venture Partners Ltd. to acquire a 100% interest in 12 exploration permits comprising approximately 22,000 hectares of surface area in Minais Gerais, Brazil. The vendor retained a 1% net smelter return. The Company can purchase 0.5% from the vendor at any time for $1,000,000. The Company paid a total of $300,000 and 10,000,000 million common shares at a deemed price of $0.08 per share. Shares issued pursuant to this transaction are subject to statutory trading restrictions until June 24, 2023.

Nova Energia Lithium Project

On March 8, 2023, the Company entered into a mineral claims purchase agreement with Talisman Venture Partners Ltd. pursuant to which the Company acquired a 100% ownership interest in six exploration permits, known as the Nova Energia property, comprising approximately 8,631 hectares of surface area in Minas Gerais, Brazil. Pursuant to the terms of the agreement and in order to complete the transaction, the Company shall:

- Pay $100,000 on signing of the agreement (paid);
- Issue 10,000,000 units of the Company (issued). Each unit will consist of one common share of the Company and an additional warrant giving the unit holder the right to purchase an additional share of the Company at $0.15. The warrants will have a two-year term attached and a residual value of $15,613 was recorded;
- The vendor shall retain a 1% net smelter return. The company can purchase 0.5% from the vendor at any time for $1,000,000.

5. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value. All issued shares are fully paid.

Transactions for the issue of share capital during the period ended April 30, 2023:

(a) On March 28, 2023, the Company issued 10,000,000 units of the Company, each unit consisting of one common share of the Company (issued at a fair value of $750,000 ($0.075 per share)) and an additional warrant giving the unit holder the right to purchase an additional share of the Company at $0.15, pursuant to a mineral claims purchase agreement to acquire a 100% ownership interest in six exploration permits, known as the Nova Energia property, comprising approximately 8,631 hectares of surface area in Minas Gerais, Brazil (Note 4). The warrants will have a two-year term. Shares issued pursuant to this transaction are subject to statutory trading restrictions until June 24, 2023.

5. Share capital (continued)

(b) On February 23, 2023, the Company issued 10,000,000 common shares (at a fair value of $800,000 ($0.08 per share)) pursuant to a mineral claims purchase agreement to acquire a 100% interest in twelve exploration permits comprising approximately 22,000 hectares of surface in Minais Gerais, Brazil (Note 4). Shares issued pursuant to this transaction are subject to statutory trading restrictions until June 24, 2023.

(c) On February 22, 2023, the Company completed the second tranche of a non-brokered private placement and issued 10,978,333 units at a price of $0.075 per unit for gross proceeds of $823,375 ($214,915 of shares subscribed remain unissued as share subscriptions received). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.10 for a period of two years from the date of closing. No residual value was allocated to the warrant component of the units issued. The Company paid cash finders fees of $33,306 and issued 381,920 finders' warrants in connection with the private placement. The finders' warrants have the same terms as those above and a residual value of $15,613 was recorded.

(d) On January 24, 2023, the Company entered into an agreement for payment of indebtedness in the aggregate total of $96,373.89 through conversion of such debt into common shares of the Company. Pursuant to the shares for debt transaction, the Company issued an aggregate of 1,284,985 common shares, at a deemed price of $0.075 per common share.

(e) On January 23, 2023, the Company completed the first tranche of a non-brokered private placement and issued 4,500,000 units at a price of $0.075 per unit for gross proceeds of $337,500. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.10 for a period of two years from the date of closing. No residual value was allocated to the warrant component of the units issued. The Company paid cash finders fees of $21,000 and issued 280,000 finders' warrants in connection with the private placement. The finders' warrants have the same terms as those above and a residual value of $13,286 was recorded.

(f) On December 10, 2022, the Company issued 21,165,000 common shares (at a fair value of $1,058,250 ($0.05 per share)) pursuant to a Mineral Claims Purchase Agreement with Foxfire Metals Pty. Ltd. ("Foxfire") to acquire a 75% interest in certain mining claims and associated rights of Foxfire's Minas Gerais and Bahia Lithium Project in the Brazilian states of Minas Gerais and Bahia and Foxfire's Goas Rare Earth Elements Project in the Brazilian state of Goas (Note 4). These shares are subject to the following escrow terms: 50% subject to a statutory hold period of four months and a day, 30% subject to a voluntary hold/escrow period of nine months, and 20% subject to a voluntary hold/escrow period of nine months.

(g) On November 4, 2022, the Company completed the second tranche of a non-brokered private placement and issued 21,472,600 units at a price of $0.035 per unit for gross proceeds of $751,441. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.05 for a period of two years from the date of closing. No residual value was allocated to the warrant component of the units issued. The Company paid cash finders fees of $16,363 and issued 467,528 finders' warrants in connection with the private placement. The finders' warrants have the same terms as those above and a residual value of $24,174 was recorded.

(h) On October 26, 2022, the Company completed the first tranche of a non-brokered private placement and issued 22,028,700 units at a price of $0.035 per unit for gross proceeds of $771,004 ($78,520 remains outstanding as share subscriptions receivable (note 8)). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.05 for a period of two years from the date of closing. No residual value was allocated to the warrant component of the units issued. The Company paid cash finders fees of $19,026 and issued 543,600 finders' warrants in connection with the private placement. The finders' warrants have the same terms as those above and a residual value of $8,617 was recorded.

(i) On August 2, 2022, the Company cancelled 625,000 common shares and 625,000 common shares purchase warrants originally subscribed to by a company controlled by a director and officer of the Company, as a portion of the non-brokered private placement closed on March 7, 2022, due to non-payment.

5. Share capital (continued)

Transactions for the issue of share capital during the period ended April 30, 2022:

(a) On October 8, 2021, the Company issued 125,000 common shares at a fair value of $0.20 to Mi3 Communications Financiers as a final finder consulting fee payment in respect of the St. Anthony Gold Project (note 3).

(b) On December 2, 2021, the Company closed a non-brokered private placement of up to $1,000,000. The Company accepted subscriptions for 3,050,000 units at a price of $0.10 per unit for gross proceeds of $305,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.20 for a period of two years from the date of closing. No residual value was allocated to the warrant component of the units sold.

(c) On December 10, 2021, the Company issued 808,375 common shares at a fair value of $100,000 ($0.12 per share) pursuant to the option agreement on the Panama Lake Gold Project (note 3).

(d) On March 7, 2022, the Company closed a non-brokered private placement of up to $750,000. The Company accepted subscriptions for 4,700,000 units at a price of $0.08 per unit, for gross proceeds of $376,000 ($50,000 remains outstanding as share subscriptions receivable (note 6)). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.15 for a period of two years from the date of closing.

In connection with the unit offering completed, the Company paid finders' fees of $10,500 and issued 131,250 finders' warrants exercisable at a price of $0.15 until March 7, 2024. The fair value of the finders' warrants was determined to be $4,498 using the Black-Scholes option pricing model with the following inputs: i) exercise price: $0.15; ii) share price: $0.065; iii) term: 2 years; iv) volatility: 120%; v) discount rate: 1.41%

Stock options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 20% of the outstanding shares. Options granted under the Plan may have a maximum term of 5 years. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the CSE on the trading day immediately before the date of grant, less the discount permitted. The options vest at the discretion of the Board of Directors.

A summary of the status of the Company's stock options as at April 30, 2023, and July 31, 2022 and changes during the period/year then ended is as follows:

	Period ended April 30, 2023		Year ended July 31, 2022	
	Options #	Exercise price $	Options #	Exercise price $
Options outstanding, beginning of period/year	2,250,000	0.31	2,925,000	0.41
Granted	5,000,000	0.10	1,000,000	0.20
Expired	(1,225,000)	0.24	(1,675,000)	0.40
Options outstanding, end of period/year	**6,025,000**	**0.15**	2,250,000	0.31

As at April 30, 2023, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price $	Weighted average remaining life (years)	Expiry date
1,025,000	1,025,000	0.40	0.12	June 14, 2023
5,000,000	5,000,000	0.10	4.73	January 27, 2028
6,025,000	**6,025,000**	**0.15**	**3.95**	

5. **Share capital** (continued)

On January 27, 2023, the Company granted 5,000,000 stock options to officers, directors and consultants of the Company(note 8). These options vested immediately on grant and are exercisable at a price of $0.10 for a term of five years expiring on January 27, 2028. The options granted had a fair value of $357,865 using the Black Scholes option pricing model with the following inputs: i) exercise price: $0.10; ii) share price: $0.095; iii) term: 5 years; iv) volatility: 100%; v) discount rate: 3.68%.

On June 15, 2021, the Company granted 1,250,000 stock options to consultants of the Company. These options vested immediately on grant and are exercisable at a price of $0.40 for a term of two years expiring on June 14, 2023. The options granted had a fair value of $258,535 using the Black Scholes option pricing model with the following inputs: i) exercise price: $0.10; ii) share price: $0.30; iii) term: 2 years; iv) volatility: 155%; v) discount rate: 0.49%. 225,000 of these options expired during the nine months ended April 30, 2023.

On October 8, 2021, the Company granted 1,000,000 stock options to consultants of the Company. These options vested immediately on grant and are exercisable at a price of $0.20 for a term of two years expiring on October 8, 2023. The options granted had a fair value of $72,708 using the Black Scholes option pricing model with the following inputs: i) exercise price: $0.20; ii) share price: $0.20; iii) term: 2 years; iv) volatility: 67%; v) discount rate: 0.68%. These options expired during the nine months ended April 30, 2023.

The total share-based payment expense for the nine months ended April 30, 2023, was $357,865 (2022 – $72,708).

During the nine months ended April 30, 2023, a total of 1,225,000 options expired unexercised. As a result, the original share-based compensation expense of $121,244 was reallocated from reserves to deficit during the period ended April 30, 2023.

During the year ended July 31, 2022, 1,675,000 options expired unexercised. As a result, the original share-based compensation expense of $73,457 was reallocated from reserves to deficit during the year ended July 31, 2022.

Warrants

As an incentive to complete private placements, the Company may issue units which consist of common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to private placement units.

A summary of the status of the Company's warrants as at April 30, 2023 and July 31, 2022, and changes during the period/year then ended is as follows:

	Period ended April 30, 2023		Year ended July 31, 2022	
	Warrants #	Exercise price $	Warrants #	Exercise price $
Warrants outstanding, beginning of period/year	19,671,455	0.27	12,140,386	0.45
Issued	70,373,014	0.09	10,750,000	0.14
Expired/cancelled	(867,664)	0.11	(3,218,931)	0.49
Warrants outstanding, end of period/year	**89,176,805**	**0.12**	19,671,455	0.27

5. **Share capital** (continued)

As at April 30, 2023, the Company had warrants outstanding and exercisable as follows:

#	$	(years)	
3,032,206	0.48	0.35	September 4, 2023
16,600	0.48	0.35	September 4, 2023
111,177	0.48	0.35	September 4, 2023
5,145	0.48	0.52	November 4, 2023
77,912	0.48	0.52	November 4, 2023
2,425,000	0.11	0.59	November 30, 2023
914,706	0.48	0.79	February 11, 2024
4,700,000	0.15	0.85	March 7, 2024
2,287,500	0.40	1.10	June 4, 2024
107,227	0.40	1.10	June 4, 2024
160,125	0.40	1.10	June 4, 2024
1,801,136	0.40	1.10	June 4, 2024
56,477	0.40	1.10	June 4, 2024
108,580	0.40	1.10	June 4, 2024
3,000,000	0.05	1.24	July 26, 2024
22,572,300	0.05	1.49	October 26, 2024
21,940,128	0.05	1.53	November 7, 2024
4,500,000	0.15	1.74	January 23, 2025
11,360,586	0.15	1.74	February 20, 2025
10,000,000	0.15	1.74	March 3, 2025
89,176,805	**0.12**	**1.44**	

Reserves and contributed surplus

Reserves record items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. Contributed surplus records items that had been recognized as share-based compensation expense and other share-based payments after those items have expired or have been forfeited or cancelled.

6. Loss per share

The calculation of basic and diluted loss per share for the period ended April 30, 2023 is based on the loss attributable to common shareholders of $1,377,336 (2022 - $2,855,949) and a weighted average number of common shares outstanding of 87,173,186 (2022 – 33,759,921).

All stock options and warrants were excluded from the diluted weighted average number of shares calculation, as their effect would have been anti-dilutive.

7. Loan receivable

During the year ended July 31, 2022, the Company entered into a right of exclusivity ("ROE") agreement with an arm's-length party to acquire the Mallay mine in Peru (see Note 14) and as at April 30, 2023, advanced $1,732,575 to that party (the "borrower") as a demand loan bearing interest at 8% per annum, due in 90 days if the parties decide not to proceed with the acquisition. The Company has accrued $83,712 of interest receivable as at April 30, 2023. Failure to repay the loan in accordance with these terms will result in the Company having the option to convert the loan into common shares of the borrower, in the amount of 150% of the total of the principal amount of the loan plus accumulated interest, upon a go public event of the borrower.

8. Related party payables and transactions

The Company's related parties include key management personnel and Directors, and companies in which they have control or significant influence over the financial or operating policies of those entities.

Key management compensation

(a) During the nine months ended April 30, 2023, the Company paid or accrued $112,500 in management and consulting fees to the Chief Executive Officer ("CEO") or a company controlled by the CEO (2022 - $122,000). As at April 30, 2023, $nil is included in due to related parties for amounts owing to the CEO or a company in which the CEO is a partner (July 31, 2022 - $nil). Additionally, the Company paid $19,500 for meals and entertainment expense reimbursements to a company controlled by the CEO.

(b) During the nine months ended April 30, 2023, the Company paid or accrued $42,500 (2022 – $nil) in management and consulting fees to the Chief Financial Officer ("CFO"). As at April 30, 2023, $nil is included in due to related parties for amounts owed to the CFO (July 31, 2022 - $nil).

(c) During the nine months ended April 30, 2023, the Company paid or accrued $nil (2021 - $46,700) in professional fees to a company in which the former Chief Financial Officer ("CFO") has significant influence.

(d) During the nine months ended April 30, 2023, $11,000 in consulting fees (2021 - $20,000) and $30,000 in public relations and advertising expense (2021 – $nil) were paid to a company controlled by a Director of the Company. As at April 30, 2023, $54,500 is included in due to related parties for amounts owed to the company controlled by the Director of the Company (July 31, 2022 - $nil). As at April 30, 2023, $41,020 is included in share subscriptions receivable for amounts due from the company controlled by the Director of the Company which related to the October 26, 2022 non-brokered private placement (note 5).

(e) On January 27, 2023, the Company granted 3,300,000 stock options to key management personnel, directors of the Company and a company controlled by the CEO. These options vested immediately on grant and are exercisable at a price of $0.10 for a term of five years expiring on January 27, 2028. The options granted had a fair value of $236,191 using the Black Scholes option pricing model with the following inputs: i) exercise price: $0.10; ii) share price: $0.095; iii) term: 5 years; iv) volatility: 100%; v) discount rate: 3.68%.

9. Supplemental cash flow information

Changes in non-cash operating working capital during the nine months ended April 30, 2023, and April 30, 2022, were comprised of the following:

	April 30, 2023 **$**	April 30, 2022 $
Prepaid expenses	60,985	(109,685)
Sales tax receivable	(436)	(46,714)
Accounts payable and accrued liabilities	154,859	105,007
Due to related parties	48,285	33,978
	263,693	(17,414)

9. Supplemental cash flow information (continued)

The Company incurred non-cash financing and investing activities during the nine months ended April 30, 2023, and April 30, 2022, as follows:

	April 30, 2023	April 30, 2022
	$	$
Non-cash financing activities:		
Common shares issued for debt settlement	96,374	-
Reserves on finders' warrants issued	(155,821)	(4,498)
	(59,447)	(4,498)
Non-cash investing activities:		
Common shares issued for acquisition of exploration and evaluation assets	2,608,250	100,000
Deferred exploration expenditures included in accounts payable and related party payables	(282,249)	(189,989)
	2,326,001	(89,989)

During the nine months ended April 30, 2023, and April 30, 2022, no amounts were paid for interest or income tax expenses.

10. Financial risk management

Capital management

The Company is a resource exploration company and considers items included in shareholders' equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at April 30, 2023, is comprised of shareholders' equity of $4,646,002 (July 31, 2022 – $136,798).

The Company currently has no source of revenues. In order to fund future projects and pay for general and administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional financing from equity markets (see note 1). There were no changes to the Company's management of capital during the nine months ended April 30, 2023.

Financial instruments - fair value

The Company's financial instruments consist of cash, marketable securities, loan receivable, accounts payable and accrued liabilities, and due to related parties. The carrying value of accounts payable and accrued liabilities, and due to related parties approximated their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the consolidated statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

10. Financial risk management (continued)

Financial instruments - fair value (continued)

	Level 1 $	Level 2 $	Level 3 $	Total $
January 31, 2023				
Cash	21,449	-	-	21,449
Marketable securities	41,960	-	-	41,960
	63,409	**-**	**-**	**63,409**
July 31, 2022				
Cash	330,639	-	-	330,639
Marketable securities	230,000	-	-	230,000
	230,000	-	-	230,000

Financial instruments - risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and market and currency risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash and loan receivable. All of the Company's cash is held in financial institutions in Canada, and management believes the exposure to credit risk with respect to such institutions is not significant. Management believes the loan receivable is recoverable based on the value of the underlying assets of the borrower.

(b) Interest rate risk

The Company is not exposed to interest risk as it does not hold financial securities or debt that would be impacted by fluctuating interest rates.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. See note 1 for further details.

(d) Market and currency 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. A change of 100 basis points in interest rates would not be material to the financial statements.

- Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. Assuming all other variables are held constant with an increase or a decrease of 10% of the US dollar against the Canadian dollar, the net loss of the Company and the equity for the nine months ended April 30, 2023 would not have changed as it had no US dollar denominated assets or liabilities.

- The Company had no hedging agreements in place with respect to foreign exchange rates.

11. Contingencies

During the nine months ended April 30, 2023, the Company settled a statement of claim in respect of a mining property that the Company has abandoned. As at April 30, 2023, the Company has $14,300 recorded in accounts payable for claim maintenance fees that it has agreed to reimburse to the claimant.

During the nine months ended April 30, 2023, the Company was served with a small claims summons by a former consultant of the Company in respect of a disputed payment of $64,255. The Company intends to dispute the claim, but has included this amount in accounts payable at April 30, 2023.

In June 2021, the Company was served with a small claims summons by a former consultant of the Company in respect of a disputed payment of $20,000, and the Company was subsequently issued a judgement in respect of this claim. The Company has included this amount in accounts payable at April 30, 2023.

12. Subsequent events

The Company entered into a mineral claims purchase agreement dated May 1, 2023, with Lithium Plus Mining Corp. "Lithium Plus"), a British Columbia corporation, pursuant to which the company will option up to a 65% ownership interest in 12 exploration permits comprising approximately 22,000 hectares of surface area in Minas Gerais, Brazil.

Pursuant to the terms of the agreement and in order to complete the transaction, Lithium Plus shall:

- Pay the Company $100,000 on signing of the agreement,
- Pay the Company an additional $500,000 in 12 months from the execution date of the agreement;
- Commit to and conduct an exploration work program incurring at least $500,000 in eligible expenditures during the first year of the agreement; and
- Commit to and conduct an exploration work program incurring at least $1,000,000 in eligible expenditures during the second year of the Agreement.