FIRST TELLURIUM
Essential Metals for a Sustainable Future

FIRST TELLURIUM CORP.

FINANCIAL STATEMENTS

For the six months ended January 31, 2023 and 2022

(Expressed in Canadian Dollars)

NOTICE TO READER

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

The condensed consolidated interim financial statements for the Company for the second quarter ended January 31, 2023 have been prepared for and are the responsibility of the Company's management.

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

FIRST TELLURIUM CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	Jan. 31, 2023	July 31, 2022
Assets			
Current Assets			
Cash		$ 1,347,539	$ 1,005,635
Receivables	3	66,985	40,786
Prepaid expenses	4,13	223,258	85,492
		1,637,782	1,131,913
Equipment	5	21,108	22,219
Right-of-use asset	6	2,770	6,800
Exploration and evaluation assets	8	129,095	129,095
Reclamation deposit	7	136,212	136,212
Investment in associated companies	9	38,753	38,820
		$ 1,965,720	$ 1,465,059
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	10	$ 115,759	$ 186,065
Lease liability	6	3,043	6,891
Loans payable	11	182,000	182,000
Flow through premium liability	12	40,750	24,000
Due to related parties	13	17,258	2,151
		358,810	401,107
Shareholders' Equity (Deficiency)			
Share capital	12	20,420,510	18,894,239
Share-based payments reserve		872,079	686,141
Share subscriptions	12	13,840	13,840
Share subscriptions receivable	12	(32,000)	(32,000)
Deficit		(19,667,519)	(18,498,268)
		1,606,910	1,063,952
		$ 1,965,720	$ 1,465,059

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 17)

On behalf of the Board:

" Tyrone Docherty "
Director

"Tony Fogarassy "
Director

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

FIRST TELLURIUM CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the six months ended January 31

	Note	Three months ended January 31, 2023	Three months ended January 31, 2022	Six months ended January 31, 2023	Six months ended January 31, 2022
Operating Expenses					
Advertising and promotion		254,037	531,265	323,688	536,065
Consulting fees		38,000	69,160	95,889	84,160
Depreciation	5,6	2,105	1,491	5,321	2,991
Equity (income) loss pickup		33	33	67	7,401
Exploration and evaluation Expenditures (recovery)		52,357	-	180,047	2,857
Interest expense		4,614	4,624	9,228	10,391
Investor relations and shareholder information		100,353	49,319	151,828	53,119
Management fees	13	72,000	30,000	144,000	60,000
Office and miscellaneous		6,215	13,906	16,495	19,171
Professional fees		42,352	21,374	42,352	21,923
Regulatory and filing fees		12,234	27,179	14,718	51,234
Share-based payments		164,976	-	185,398	147,327
Travel		220	-	220	-
		(749,496)	(748,351)	(1,169,251)	(996,639)
Loss and comprehensive loss for the period		$ (749,496)	$ (748,351)	$ (1,169,251)	$ (996,639)
Basic and diluted loss per share		$ (0.01)	$ (0.01)	$ (0.02)	$ (0.02)
Weighted average shares outstanding		72,519,704	40,394,442	63,421,823	37,611,705

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

FIRST TELLURIUM CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Number of common shares	Share Capital	Share Subscriptions Receivable	Share Subscriptions	Share-based payments reserve	Deficit	Total shareholders' equity (deficiency)
Balance, July 31, 2021	**32,243,431**	**$15,530,514**	**$ -**	**$ 13,840**	**$ 529,908**	**$ (16,580,433)**	**$ (506,171)**
Private placement	22,550,000	1,940,475	-	-	-	-	1,940,475
Exercise of warrants	3,982,500	398,250	-	-	-	-	398,250
Shares based compensation	-	-	-	-	147,327	-	147,327
Share subscriptions	-	-	-	260,000	-	-	260,000
Loss and comprehensive loss for the period	-	-	-	-	-	(996,639)	(996,639)
Balance, January 31, 2022	**58,775,931**	**$ 17,869,239**	**$ -**	**$ 273,840**	**$ 677,235**	**$ (17,577,072)**	**$ 1,243,242**
Balance, July 31, 2022	**69,650,931**	**$ 18,894,239**	**$ (32,000)**	**$ 13,840**	**$ 686,141**	**$ (18,498,268)**	**$ 1,063,952**
Private placement	13,396,000	1,515,600	-	-	-	-	1,515,600
Flow-through premium	-	(16,750)	-	-	-	-	(16,750)
Share issue costs – cash	-	(4,569)	-	-	-	-	(4,569)
Share issue costs - shares	319,900	31,990	-	–	-	–	31,990
Share based compensation	-	-	-	-	185,938	-	185,938
Loss and comprehensive loss for the period	-	-		-	-	(1,169,251)	(1,169,251)
Balance, January 31, 2023	**83,366,831**	**$ 20,420,510**	**$ (32,000)**	**$ 13,840**	**$ 872,079**	**$ (19,667,519)**	**$ 1,606,910**

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

FIRST TELLURIUM CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the six months ended January 31,

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (1,169,251)	$ (996,639)
Items not involving cash:		
Depreciation	5,321	2,991
Equity (income) loss pick up	67	-
Share-based payments	185,398	147,327
Interest expense	9,228	10,391
Changes in non-cash working capital balances:		
Decrease (increase) in receivables	(26,199)	(3,996)
Decrease (increase) in prepaid expenses	(137,766)	-
Increase (decrease) in due to related party	20,249	(212,798)
Increase (decrease) in accounts payable and accrued liabilities	(70,306)	(82,920)
Cash flows used in operating activities	(1,183,259)	(1,135,044)
CASH FLOWS FROM INVESTING ACTIVITIES		
Distribution from (advance to) equity investment	-	(14,700)
Property option payment	-	(51,000)
Cash flows used in financing activities	-	(65,700)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	1,534,918	2,319,758
Share issue costs	(4,569)	-
Lease payments	(5,186)	(2,647)
Cash flows provided from financing activities	1,525,163	2,526,111
Increase (decrease) in cash during period	341,904	1,391,067
Cash, beginning of period	1,005,635	2,504
Cash, end of period	1,347,539	$ 1,393,571

Supplemental non-cash investing and financing activities:		
Transfer expired warrants to share capital	$ -	$ 18,967
Flow-through premium allocation	16,750	-

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

NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN

First Tellurium Corp. ("First Tellurium" or the "Company") was incorporated under the *Business Corporations Act* (Canada) and continued into British Columbia pursuant to the *Business Corporations Act* (British Columbia, Canada). The Company's head office and principal place of business is 381 – 1440 Garden Place, Delta, British Columbia, Canada. The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario, Canada and trades on the Canadian Securities Exchange under the symbol "FTEL". The Company has interests in exploration and evaluation assets in British Columbia and its principal business is the exploration of those assets.

These financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. Management believes that the Company's working capital at January 31, 2023, is not sufficient to finance operations through the next twelve months. The Company has incurred ongoing losses. The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

During the year ended July 31, 2020, there was a global outbreak of a novel coronavirus identified as "COVID-19" and it was declared a pandemic by the World Health Organization in March 2020. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and First Tellurium's financial position cannot be reasonably estimated at this time. First Tellurium continues to monitor developments and will adapt its business plans accordingly. The actual or threatened continued spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

NOTE 2 – BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these financial statements are based on the IFRS issued and outstanding as at the date the Board of Directors approved these financial statements for issue.

These unaudited condensed interim financial statements should be read in conjunction with the most recently issued annual audited financial statements of the Company, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies were presented as Note 3 to the financial statements for the year ended July 31, 2022 and have been consistently applied in the preparation of these unaudited condensed interim financial statements.

NOTE 3 – RECEIVABLES

		As at Jan. 31, 2023		As at July 31, 2022
Amounts due from the Government of Canada pursuant to GST input tax credits	**$**	**66,985**	$	40,786
Total	**$**	**66,985**	$	40,786

NOTE 4 – PREPAID EXPENSES

		As at Jan. 31, 2023		As at July 31, 2022
Prepaid expenses	**$**	**223,258**	$	85,492
Total	**$**	**223,258**	$	85,492

NOTE 5 – EQUIPMENT

	Equipment
Cost:	
Balance at July 31, 2021	$ 23,753
Additions	19,100
Balance at July 31, 2022	42,853
Additions	-
Balance at January 31, 2023	$ 42,853
Accumulated depreciation:	
Balance at July 31, 2021	$ 19,923
Depreciation	711
Balance at July 31, 2022	20,634
Depreciation	1,110
Balance at January 31, 2023	$ 21,745
Carrying amounts:	
July 31, 2022	$ 22,219
January 31, 2023	$ 21,108

NOTE 6 – RIGHT-OF-USE ASSET AND LEASE LIABILITY

	ROU asset	Lease liability
Balance July 31, 2021	$ 5,864	$ 5,972
Depreciation expense	(7,250)	-
Lease extension	8,186	8,815
Interest expense	-	896
Payments	-	(8,762)
Balance at July 31, 2022	6,800	6,891
Depreciation expense	(4,030)	-
Interest expense	-	438
Payments	-	(4,286)
Balance at January 31, 2023	$ 2,770	3,043

NOTE 7 – RECLAMATION DEPOSIT

The Company provided funding for deposits as security against potential future reclamation work related to the Deerhorn property (Note 8).

	As at Jan. 31, 2023	As at July 31, 2022
Reclamation deposit: Deerhorn property	**$ 136,212**	$ 136,212

NOTE 8 – EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation acquisition costs

	July 31, 2022	**Additions**	**Jan. 31, 2023**
Deer Horn	**$ -**	**$ -**	**$ -**
Colorado Klondike	**129,095**	**-**	**129,095**
	$ 129,095	**$ -**	**$ 129,095**

Exploration and evaluation expenditures

	Deerhorn	**Colorado Klondike**	As at Jan. 31, 2023
Geological consulting	**$ 36,075**	**$ 43,978**	**$ 80,053**
Assays	**-**	**23,684**	**23,684**
Camp and Field supply	**5,024**	**5,840**	**10,864**
Other	**61,798**	**3,648**	**65,446**
Total exploration expense	**$ 102,897**	**$ 77,150**	**$ 180,047**

NOTE 8 – EXPLORATION AND EVALUATION ASSETS *(continued)*

Deerhorn property

The Company owns a 50% interest in the Deerhorn property, located in north western British Columbia, acquired from a company related by virtue of common directors. It may acquire an additional 25% interest by incurring all costs required to bring the property to commercial production.

Colorado Klondike property

During fiscal 2021, the Company entered into an option agreement to acquire a 100% interest in the Colorado Klondike property, located in south-central Colorado, USA, from Colorado Klondike LLC. The terms of the agreement include consideration for an aggregate US$260,000 (approximately US$50,000 per year) cash and the incurrence of an aggregate US$300,000 in exploration expenditures on the property within five years, at which time the option may be fully exercised upon an additional payment of US$1,200,000, or the higher real estate appraised value, to a maximum of US$1,500,000. Upon full exercise of the option Colorado Klondike LLC will retain a 3% net smelter returns royalty ("NSR"), with the Company reserving the right to buy-back a 1% NSR for consideration of US$1,000,000. The Company will also be required to pay an advance royalty payment of US$60,000 per annum commencing on the first anniversary of the completion of the acquisition. The Company has paid an initial US$50,000 ($63,770) and first year payment of US$50,000 ($65,325) to the Optionor.

NOTE 9 – INVESTMENT IN ASSOCIATED COMPANIES

The Company has a 49% investment in two private companies, Cheona Metals Inc. and Cheona Health Inc., which are classified as long-term investments. As the Company owns a 49% interest in each entity and maintains significant influence, but not control, the Company accounts tor these investments under the equity method. Cheona Health Inc. is inactive and valued at $nil.

The following table is a reconciliation of the investment in Cheona Metals Inc.:

Investment in Cheona Metals Inc.	
Balance at July 31, 2021	$ 36,785
Additions	14,700
Share of loss	(12,665)
Balance at July 31, 2022	$ 38,820
Share of loss	(67)
Balance at October 31, 2022	$38,753

NOTE 10 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at Jan. 31, 2023	As at July 31, 2022
Trade payables	**$ 33,598**	**$ 35,598**
Other accrued liabilities	**82,161**	**150,467**
Total	**$ 115,759**	**$ 186,065**

NOTE 11 – LOANS PAYABLE

In fiscal 2016 the Company issued debenture loans in the principal amount of $182,000. The loans bear an annual interest rate of 10% and matured on March 2, 2021. The Company recorded interest expense of $8,790 (2022 - $18,155) in relation to the accrued interest on the debenture loans and is included in accounts payable and accrued liabilities.

In fiscal 2018, the Company made the required interest payments under the loan agreements, however the Company has not received a waiver of non-payment, accordingly, the loans have been presented as current. Interest payments for the further periods remain outstanding. The Company is therefore currently in default for interest payments due.

NOTE 12 – SHARE CAPITAL

a) **Authorized:** An unlimited number of common shares without par value.

b) **Share issuance:**

Fiscal 2023

On November 17, 2022, the Company completed the first tranche of a non-brokered private placement, issuing 400,000 units at a price of $0.10 per unit and 2,600,000 flow-through shares at a price of $0.14 for aggregate proceeds of $404,000. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.15 per share for a period of two years. No value was attributed to the warrant portion of the units. The Company a flow through share premium liability of $12,740 in connection with the issuance of the flow-through shares.

On December 21, 2022, the Company completed the second tranche of a non-brokered private placement, issuing 9,656,000,000 units at a price of $0.10 per unit and 150,000 flow-through shares at a price of $0.14 for aggregate proceeds of $986,600. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.15 per share for a period of two years. No value was attributed to the warrant portion of the units. The Company a flow through share premium liability of $3,735 connection with the issuance of the flow-through shares. The Company paid a cash finder's fee of $1,400 and 319,900 common shares were issued in connection with the second tranche close.

On January 3, 2021, the Company completed the third and final tranche of a non-brokered private placement, issuing 1,250,000 units at a price of $0.10 per unit for total proceeds of $125,000. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.15 per share for a period of two years. No value was attributed to the warrant portion of the units.

Fiscal 2022

On October 15, 2021, the Company completed the first tranche of a non-brokered private placement, issuing 5,825,000 units at a price of $0.08 per unit for total proceeds of $466,000. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.12 per share for a period of two years. No value was attributed to the warrant portion of the units.

On November 2, 2021, the Company completed the second tranche of a non-brokered private placement, issuing 6,350,000 units at a price of $0.08 per unit for total proceeds of $508,000. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.12 per share for a period of two years. No value was attributed to the warrant portion of the units.

NOTE 12 – SHARE CAPITAL *(continued)*

b) **Share issuance (continued):**

Fiscal 2022 (continued)

On November 16, 2021, the Company completed the third tranche of a non-brokered private placement, issuing 3,000,000 units at a price of $0.08 per unit for total proceeds of $240,000. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.12 per share for a period of two years. No value was attributed to the warrant portion of the units.

On November 26, 2021, the Company completed the fourth and final tranche of a non-brokered private placement, issuing 7,375,000 units at a price of $0.08 per unit for total proceeds of $590,000. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.12 per share for a period of two years. No value was attributed to the warrant portion of the units. The Company incurred $3,525 in share issuance costs in connection with the private placement. In connection with this final tranche, a subscription receivable of $2,000 has been recorded.

On December 30, 2021, the Company completed a non-brokered private placement, issuing 400,000 flow-through units at a price of $0.35 per unit for total proceeds of $140,000. Each unit consisted of one flow-through common share and one common share purchase warrant exercisable at $0.45 per share for a period of two years. No value was attributed to the warrant portion of the units. The Company recorded a flow through share premium liability of $24,000 in connection with the issuance of the flow-through shares.

During fiscal 2022 the Company issued 14,057,500 common shares on the exercise of warrants and 400,000 common shares on the exercise of stock options for gross proceeds of $1,447,250 of which $30,000 is included in subscriptions receivable.

c) **Stock Options**

The Company is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company, on a rolling basis. Options may be granted at an exercise price of no less than a 25% discount of the market price on the date of the grant, or such higher price as determined by the board of directors. Options can be granted for a maximum term of ten years. Vesting may be set on an individual basis as determined by the board of directors.

As at January 31, 2023, 4,141,666 stock options were vested and exercisable, with a weighted average exercise price of $0.11.

The continuity for stock options for the period ended January 31, 2023, is as follows:

Number outstanding July 31, 2022	Granted	Exercised	Expired/ Cancelled	**Number outstanding Jan. 31, 2023**	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
750,000	-	-	-	**750,000**	$0.14	April 5, 2028	5.43
1,050,000	-	-	-	**1,050,000**	$0.10	March 6, 2030	7.35
150,000	-	-	-	**150,000**	$0.10	August 6, 2030	7.77
750,000	-	-	-	**750,000**	$0.11	October 1, 2031	8.92
600,000	-	-	-	**600,000**	$0.11	October 18, 2031	8.97
-	100,000	-	-	**100,000**	$0.19	August 19, 2032	9.68
-	1,200,000	-	-	**1,200,000**	$0.14	December 30, 2032	9.92
3,300,000	1,300,000	-	-	**4,600,000**	$0.121	*(weighted average)*	8.94
$0.11	$0.19	-	-	Exercisable **4,141,666**	$0.11	*(weighted average)*	-

NOTE 12 – SHARE CAPITAL *(continued)*

c) **Stock Options (continued):**

The continuity for stock options for the period ended January 31, 2022, is as follows:

Number outstanding July 31, 2021	Granted	Exercised	Expired/ Cancelled	**Number outstanding Jan. 31, 2022**	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
850,000	-	-	-	**850,000**	$0.14	April 5, 2028	6.19
100,000	-	-	-	**100,000**	$0.05	January 27, 2030	7.71
1,050,000	-	-	-	**1,050,000**	$0.10	March 6, 2030	8.08
150,000	-	-	-	**150,000**	$0.10	August 6, 2030	8.52
-	850,000	-	-	**850,000**	$0.11	October 4, 2031	9.67
-	700,000	-	-	**700,000**	$0.11	October 18, 2031	9.67
2,150,000	1,550,000	-	-	**3,700,000**	$0.11	*(weighted average)*	8.32
	$0.11	-	-	Exercisable **3,700,000**	$0.11	*(weighted average)*	-

d) **Share-based compensation**

Fiscal 2023

The fair value of 100,000 options granted on August 19, 2022 with an exercise price of $0.19 was determined using a risk free interest rate of 3.1%, an expected volatility of 182%, an expected life of ten years and an expected dividend rate of zero, resulting in a fair value of $20,422 or $0.20 per option share.

The fair value of 1,200,000 options granted on December 30, 2022 with an exercise price of $0.14 was determined using a risk free interest rate of 3.28%, an expected volatility of 185%, an expected life of ten years and an expected dividend rate of zero, resulting in a fair value of $164,976 or $0.10 per option share.

Fiscal 2022

The fair value of each option granted to employees, officers and directors was estimated on the date of grant using the Black-Scholes option pricing model.

During the year ended July 31, 2022, the Company recorded $156,233 in share based compensation pursuant to options granted.

The fair value of 850,000 options granted on October 1, 2021 with an exercise price of $0.11 was determined using a risk free interest rate of 1.47%, an expected volatility of 197%, an expected life of ten years and an expected dividend rate of zero, resulting in a fair value of $93,346 or $0.11 per option.

The fair value of 700,000 options granted on October 18, 2021 with an exercise price of $0.11 was determined using a risk free interest rate of 1.58%, an expected volatility of 198%, an expected life of ten years and an expected dividend rate of zero, resulting in a fair value of $62,887 or $0.09 per option.

NOTE 12 – SHARE CAPITAL *(continued)*

e) **Share-purchase warrants:**

The continuity for share purchase warrants for the period ended January 31, 2023 is as follows:

Number outstanding July 31, 2022	Granted	Exercised	Expired/ Cancelled	**Number outstanding Jan. 31, 2023**	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
1,600,000	-	(1,400,000)	(200,000)	**-**	$0.10	November 6, 2022	-
1,200,000	-	-	(1,200,000	**-**	$0.10	December 11, 2022	-
5,825,000	-	-	-	**5,825,000**	$0.12	October 13, 2023	0.74
6,350,000	-	-	-	**6,350,000**	$0.12	October 29, 2023	0.75
3,000,000	-	-	-	**3,000,000**	$0.12	November 12, 2023	0.78
7,375,000	-	(25,000)	-	**7,350,000**	$0.12	November 26, 2023	0.82
400,000	-	-	-	**400,000**	$0.45	December 30, 2023	0.95
-	400,000	-	-	**400,000**	$0.15	November 17, 2024	1.80
-	9,656,000	-	-	**9,656,000**	$0.15	December 21, 2024	1.88
-	1,250,000	-	-	**1,250,000**	$0.15	January 3, 2025	1.92
2,800,000	11,306,000	(1,425,000)	(1,400,000)	**34,231,000**	$0.13	*(weighted average)*	1.14
	$0.15	$0.10	$0.10	Exercisable **34,231,000**	$0.13	-	-

*expired subsequent to period end, unexercised.

The continuity for share purchase warrants for the period ended January 31, 2022 is as follows:

Number outstanding July 31, 2021	Granted	Exercised	Expired/ Cancelled	**Number outstanding Jan. 31, 2022**	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
2,182,500	-	(2,082,500)	(100,000)	**-**	$0.10	January 27, 2022	-
3,050,000	-	-	-	**3,050,000**	$0.10	March 13, 2022	0.08
1,600,000	-	-	-	**1,600,000**	$0.10	February 19, 2022	0.06
2,300,000	-	-	-	**2,300,000**	$0.10	February 19, 2022	0.06
1,300,000	-	-	-	**1,300,000**	$0.10	February 26, 2022	0..08
2,000,000	-	-	-	**2,000,000**	$0.10	June 1, 2022	0..34
1,000,000	-	-	-	**1,000,000**	$0.10	November 6, 2022	0.84
1,600,000	-	-	-	**1,600,000**	$0.10	November 6, 2022	0.84
1,200,000	-	-	-	**1,200,000**	$0.10	December 11, 2022	0.87
-	5,825,000	-	-	**5,825,000**	$0.12	October 19, 2023	1.67
-	6,350,000	-	-	**6,350,000**	$0.12	October 29, 2022	1.92
-	3,000,000	-	-	**3,000,000**	$0.12	November 24, 2023	1.95
-	7,375,000	-	-	**7,375,000**	$0.12	November 26, 2023	1.95
-	400,000	-	-	**400,000**	$0.12	December 30, 2023	1.98
16,232,500	22,950,000	(2,082,500)	(100,000)	**37,000,000**	$0.12	*(weighted average)*	1.29
$0.10	$0.12	-	-	Exercisable **37,000,000**	$0.12	-	-

NOTE 13 – RELATED PARTY TRANSACTIONS

a) The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers, directors or close family members of those individuals as follows:

Name	Nature of transactions
Docherty Capital Corp. (Tyrone Docherty)	Management fees charged as CEO, expense allowances, share-based compensation
Saulnier Business Consulting LLP (Pamela Saulnier)	Management fees charged as CFO, expense allowances, share-based compensation
Josef Fogarassy	Consulting fees charged by a director, expense allowances, share-based compensation

The Company incurred the following fees with individuals and / or companies owned, or partially owned, by key management which the Company defines as officers and directors.

For the period ended	Jan. 31, 2023	Jan. 31, 2022
Management fees CEO	$ 120,000	$ 45,000
Management fees CFO	24,000	15,000
Consulting fees	30,000	30,000
Rent (included in office and miscellaneous)	9,000	9,000
Share-based compensation	50,000	44,000
Total	$ 233,000	$ 93,500

The Company owes amounts to key management personnel and other related parties as follows:

Six months ended January 31	2023	2022
Due to key management or companies controlled by key management personnel	$ 17,258	$ 138,167
Total	$ 17,258	$ 328,786

Balances owed to related parties are unsecured and non-interest bearing. Included in prepaid expenses $57,431 (2022 - $nil) paid to key management.

The Company's lease (Note 6) is for a vehicle used by the Company's CEO.

NOTE 14 – SEGMENTED INFORMATION

The Company operates in one business segment being the acquisition and exploration of exploration and evaluation assets in Canada and the United States, as described in note 8. Other long-term assets attributable to the geographical locations relate primarily to equipment and reclamation deposits in Canada.

NOTE 15 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of financial instruments

Financial instruments measured at fair value are classified into one of three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value ("FV") hierarchy has the following levels:

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 (ie. as prices) or indirectly (ie. derived from prices); and

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

The Company`s financial instruments consist of cash, receivables, reclamation deposit, accounts payable and accrued liabilities, loans payable, lease liability and due to related parties.

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, reclamation deposit, accounts payable and accrued liabilities, loans payable, lease liability and due to related parties approximate their fair value because of the short term nature of these instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash, receivables and deposits. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

NOTE 15 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances or debt financings. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Interest rate risk

The Company has cash balances and debt. The Company's current policy is to invest excess cash in investment grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company is marginally exposed to interest rate risk.

Foreign currency risk

The Company is not exposed to foreign currency risk.

Commodity price risk

The Company is nominally exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

NOTE 16 – CAPITAL MANAGEMENT

The Company manages common shares, stock options, and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to 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 attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company does not pay out dividends at this time. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. Cash consists of cash on hand, balances with banks and investments in highly liquid instruments, if any. The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents as the fair value approximates carrying value. There have been no changes to the Company's approach to capital management during the period ended January 31, 2023. The Company is not subject to externally imposed capital requirements.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent to January 31, 2023, the Company:

a) issued 2,000,000 common shares for the acquisition of a new diamond drill for use on the Deer Horn Property.