SEAHAWK GOLD CORP.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED MAY 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Seahawk Gold Corp.

Opinion

We have audited the accompanying financial statements of Seahawk Gold Corp. (the "Company"), which comprise the statements of financial position as at May 31, 2023 and 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a net loss of $517,921 during the year ended May 31, 2023, and as of that date the Company's accumulated deficit was $9,848,134. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following KAMs required significant auditor attention in performing the audit:

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators or Exploration and Evaluation Assets ("E&E Assets")

As described in Note 5 to the financial statements, the carrying amount of the Company's E&E Assets was $2,613,929 as of May 31, 2023. As more fully described in Note 3 to the financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Evaluated management's assessment of impairment indicators.
- Discussed with management regarding the plans and intent for the properties
- Reviewed purchase agreements and vouched cash payments to corroborate compliance and expenditure requirements.
- Reviewed the Company's ability to fund future activities and reviewed any available budgets for future periods
- On a test basis, confirmed title to ensure claims are in good standing

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Glenn Parchomchuk.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

July 6, 2023

SEAHAWK GOLD CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at May 31,

		2023		2022
ASSETS				
Current				
Cash	$	211,090	$	5,983
Amounts receivable (Note 6)		45,111		13,459
Prepaids		29,843		8,760
Exploration advances		385		97
Total current assets		286,429		28,299
Long-term exploration advance (Note 4)		193,048		-
Exploration and evaluation assets (Note 5)		2,613,929		2,396,308
Total assets	$	3,093,406	$	2,424,607
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	33,319	$	72,839
Due to related parties (Note 9)		685,100		631,200
Loan from a related party (Note 7)		-		101,666
Total current liabilities		718,419		805,705
Shareholders' equity				
Share capital (Note 8)		9,251,186		7,990,982
Reserves (Note 8)		2,971,935		2,958,133
Deficit		(9,848,134)		(9,330,213)
		2,374,987		1,618,902
Total liabilities and shareholders' equity	$	3,093,406	$	2,424,607

Nature and continuance of operations (Note 1)

Approved and authorized on behalf of the Board on July 6, 2023:

"Giovanni Gasbarro" Director *"Bruno Gasbarro"* Director

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

SEAHAWK GOLD CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the years ended May 31,

		2023		2022
OPERATING EXPENSES				
Interest expenses (note 7)	$	834	$	1,666
Management fees (Note 9)		55,000		52,200
Office and miscellaneous		2,190		1,419
Professional fees		63,476		40,575
Share-based compensation (Note 8)		48,306		-
Shareholder cost and investor relations		319,169		22,705
Transfer agent and filing fees		37,646		31,045
Interest and other income		-		(211)
Write-off of accounts payable (Note 9)		(8,700)		-
Loss and comprehensive loss for the year	$	(517,921)	$	(149,399)
Basic and diluted loss per common share	$	(0.01)	$	(0.00)
Weighted average number of common shares outstanding – basic and diluted		36,044,128		32,328,650

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

SEAHAWK GOLD CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the years ended May 31,

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (517,921)	$ (149,399)
Items not involving cash:		
Share-based compensation	48,306	-
Write-off of accounts payable	(8,700)	-
Accrued interest	834	1,666
Changes in non-cash working capital items:		
Receivables	(31,652)	(7,219)
Prepaids	(21,083)	(8,760)
Accounts payable and accrued liabilities	(39,520)	1,459
Due to related parties	(17,500)	29,210
Net cash used in operating activities	(587,236)	(133,043)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	(137,809)	(157,654)
Exploration advances	(193,048)	-
Quebec mining tax credit	-	64,467
Net cash used in investing activities	(330,857)	(93,187)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds from a related party	-	100,000
Repayment of loan and interest to a related party	(102,500)	-
Proceeds from share issuance	1,255,000	12,500
Share issue costs	(29,300)	-
Net cash provided by financing activities	1,123,200	112,500
Change in cash for the year	205,107	(113,730)
Cash, beginning of year	5,983	119,713
Cash, end of year	$ 211,090	$ 5,983

Supplemental disclosure with respect to cash flows (Note 10)

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

SEAHAWK GOLD CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital Amount	Reserves	Deficit	Total
Balance, May 31, 2021	32,287,417	$ 7,971,518	$ 2,965,097	$ (9,180,814)	$ 1,755,801
Exercise of stock options	50,000	19,464	(6,964)	-	12,500
Loss for the year	-	-	-	(149,399)	(149,399)
Balance, May 31, 2022	32,337,417	7,990,982	2,958,133	(9,330,213)	1,618,902
Shares issued in private placement	3,849,999	1,155,000	-	-	1,155,000
Finders' shares	150,000	46,500	-	-	46,500
Share issuance costs	-	(75,800)	-	-	(75,800)
Exercise of stock options	250,000	134,504	(34,504)	-	100,000
Share-based compensation			48,306	-	48,306
Loss for the year	-	-	-	(517,921)	(517,921)
Balance, May 31, 2023	36,587,416	$ 9,251,186	$ 2,971,935	$ (9,848,134)	$ 2,374,987

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Seahawk Gold Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on January 16, 2007. The Company's registered and records office is located at suite 1700 – 666 Burrard Street, Vancouver, BC V6C 2X8 and its head office is located at 909 Bowron Street, Coquitlam, BC V3J 7W3.

The Company currently holds a 100% interest in the Mystery Property, Touchdown Property, Xtra Point Property, and Blitz Property, all located in the Urban-Barry Greenstone Belt region within the Abitibi sub-province, Quebec, Canada (Note 5).

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. The Company incurred a net loss of $517,921 for the year ended May 31, 2023 and as of that date the Company's accumulated deficit was $9,848,134 (2022 - $9,330,213) The Company's ability to continue as a going concern is dependent upon it ability to attain profitable operations, and to continue to raise funds or obtain borrowing from third parties sufficient to meet current and future obligations and/or restructure the existing debt and payables.

While management intends to pursue additional financings and the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favorable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement and presentation currency

These financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

2. BASIS OF PREPARATION (cont'd…)

Use of estimates and critical judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting 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, the following:

a) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

b) Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term highly liquid investments with original maturities of 90 days or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. As at May 31, 2023 and 2022, the Company did not hold any cash equivalents.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Warrants that are issued as payment for an agency fee or other transaction costs are accounted for as share-based payments.

Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. The fair value of the options is recognized as an expense with a corresponding increase in equity.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted, and is recognized over the vesting period on a graded basis. The share-based payments are recorded as an operating expense with an offset to equity reserves. When options are exercised the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded as equity reserves are transferred to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Loss per share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average number of common shares outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Shares that are contingently cancellable are not included in the calculation of basic or diluted loss per share.

Income taxes

Tax expense is comprised of current and deferred tax. Tax expense is recognized in profit or loss except to the extent that the tax arises from a transaction or event which is recognized either in other comprehensive income or directly in equity.

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using rates enacted or substantially enacted at the year end, and includes any adjustments to tax payable in respect of previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Deferred taxes

Deferred income taxes are calculated using the asset and liability method based on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Where an asset has no deductible or depreciable amount for income tax purposes, but has a deductible amount on sale or abandonment for capital gains purposes, the amount is included in the determination of temporary differences.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets are reviewed at each statement of financial position date and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when: (a) the Company has a legally enforceable right to set off; and (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either: (i) the same taxable entity; or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Any changes in deferred tax assets or liabilities are recognized as part of tax expense or income in profit or loss, except where they relate to items that are recognized in other comprehensive income (loss) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income (loss) or equity, respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

The Company recognizes a financial asset or a financial liability in its statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability.

Financial assets

The Company will classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, based on its business model for managing the financial asset and the financial asset's contractual cash flow characteristics. The three categories are defined as follows:

a) Amortized cost - a financial asset is measured at amortized cost if both of the following conditions are met:
- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Fair value through other comprehensive income - financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

c) Fair value through profit or loss - any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

When, and only when, the Company changes its business model for managing financial assets it must reclassify all affected financial assets.

The Company's financial assets comprise of cash, GST and QST receivable, which are all measured at amortized cost.

Financial liabilities

The Company's liabilities include accounts payable and accrued liabilities and due to related parties which are all measured at amortized cost. After initial recognition, an entity cannot reclassify any financial liability.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into 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 transferee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction".

Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

As at May 31, 2023 and 2022, the Company does not have any known rehabilitation obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Impairment of non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is evaluated at the cash generating unit ("CGU") level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount of the CGU is the greater 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 arm's length transaction between knowledgeable and willing parties. 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 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 CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

New, amended and future accounting pronouncements

Accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. LONG-TERM EXPLORATION ADVANCE

As of May 31, 2023, the Company has an advance of $193,048 (2022 - $Nil) with a geological data and analysis company for exploration and evaluation expenditures.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – MINERAL PROPERTIES

		Mystery Property		*Touchdown Property*		*Xtra Point Property*		*Blitz Property*		*Total*
Balance, May 31, 2021	$	545,347	$	691,871	$	18,535	$	964,773	$	2,220,526
Exploration										
Mining taxes		2,948		1,541		134		9,717		14,340
General exploration		400		400		-		4,585		5,385
Survey		-		-		-		163,920		163,920
Quebec tax credit		(2,386)		(2,386)		-		(3,091)		(7,863)
Balance, May 31, 2022		546,309		691,426		18,669		1,139,904		2,396,308
Exploration										
Mining taxes		-		-		-		7,144		7,144
General exploration		400		400		-		500		1,300
Data		-		-		-		29,161		29,161
Project manager		-		32,000		-		48,000		80,000
Survey		-		-		-		100,016		100,016
Balance, May 31, 2023	$	546,709	$	723,826	$	18,669	$	1,324,725	$	2,613,929

Mystery Property, Quebec

On June 9, 2017, the Company entered into a Property Purchase Agreement (the "Agreement") with RSD Capital Corp. and Michel A. Lavoie (the "Vendors") to acquire a 100% undivided interest in the Mystery Property comprising 66 mineral claims in the Urban-Barry Greenstone Belt region within the Abitibi sub-province, Quebec, Canada.

The Agreement provides that the Company will acquire a 100% interest in the Mystery Property in consideration for payment to the Vendors of an aggregate of $50,000 (paid), and issuing total of 1,000,000 common shares (issued, valued at $280,000) of the Company. The Vendors will retain a 2% NSR on the Mystery Property. The Company may elect to purchase one-half of the NSR from the Vendors for a payment of $500,000, thereby leaving the Vendors with the remaining 1%.

Touchdown Property, Quebec

On August 2, 2017, the Company entered into a Property Purchase Agreement (the "Agreement") with RSD Capital Corp. and Michel A. Lavoie (the "Vendors") to acquire the Touchdown Property comprising 48 mineral claims in the Urban-Barry Greenstone Belt region within the Abitibi sub-province, Quebec, Canada.

The Agreement provides that the Company will acquire a 100% interest in the Touchdown Property in consideration for payment to the Vendors of an aggregate of $60,000 (paid), and issuing total of 400,000 common shares (issued, valued at $156,000) of the Company. The Vendors will retain a 2% NSR on the Touchdown Property. The Company may elect to purchase one-half of the NSR from the Vendors for a payment of $1,000,000, thereby leaving the Vendors with the remaining 1%.

The Company also issued 150,000 shares (valued at $58,500) as a finder's fee in connection with the acquisition.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – MINERAL PROPERTIES (cont'd…)

Xtra Point Property, Quebec

In April 2018, the Company acquired from an arm's length vendor a 100% interest in the Xtra Point Property located in the Urban BarryGold Camp, Barry Township, Québec. In consideration, the Company issued the vendor 10,000 common shares (issued, valued at $4,200). The vendor retains a 2% net smelter return royalty on the property. The Company has the option to reduce the royalty to a 0.5% net smelter return royalty for a cash payment to the vendor of $1,000,000.

Blitz Property, Quebec

In August 2018, the Company entered into a property purchase agreement with Mitchell E. Lavery, a director of the Company, to acquire a 100% interest in the Blitz Property located in Urban-Barry Greenstone Belt, Quebec. As per the agreement, the Company is to pay Mr. Lavery $8,000 in cash (paid) and issue 1,650,000 shares (issued and valued at $627,000), subject to a 2.5% net smelter return royalty.

6. AMOUNTS RECEIVABLE

The items comprising the Company's amounts receivable are summarized below:

	May 31, 2023	May 31, 2022
	$	$
GST receivable	33,532	13,340
QST receivable	11,579	119
Total amounts receivable	45,111	13,459

7. LOAN FROM A RELATED PARTY

On February 1, 2022, the Company entered into a loan agreement with the CEO, pursuant to which the CEO loaned the Company $100,000. The loan bears interest at 5% per annum, is unsecured and payable upon the request of the CEO, either in cash or shares, on the condition that the Company has sufficient resource and the repayment does not hinder the day-to-day operations of the Company.

The Company covenants and agrees that it will not (i) make a fundamental change in the nature of its business, (ii) sell, lease, transfer or dispose of all or substantially all of its business or undertaking, other than in a manner consistent with its investment objectives, strategy and guidelines, (iii) enter into any agreement or understanding with respect to any of the foregoing, and (iv) pay or use the loan provided here under for the purpose of paying anyone other than as previously agreed upon by the CEO.

On August 2, 2022, the Company fully repaid the loan principal of $100,000 and interest of $2,500, of which $834 (2022 - $1,666) was accrued in the year ended May 31, 2023.

8. SHARE CAPITAL AND RESERVES

Authorized

The authorized share capital of the Company is an unlimited number of common shares without par value.

As at May 31, 2023, the Company has 36,587,416 (May 31, 2022 – 32,337,417) common shares outstanding.

Share issuance

During the year ended May 31, 2023:

a) On July 12, 2022, the Company closed a non-brokered private placement by issuing 3,849,999 share units at $0.30 per unit for gross proceeds of $1,155,000. Each unit consists of one common share and one share purchase warrant entitling the holder to acquire an additional share of the Company at $0.55 per share for a period of 2 years. The Company paid $29,300 for finder's fees and issued 150,000 finder's shares valued at $46,500.

b) On September 28, 2022, the Company issued 250,000 shares pursuant to the exercise of 250,000 stock options at $0.40 per share for total proceeds of $100,000. The fair value of the options exercised, being $34,504, was transferred from reserves to share capital.

During the year ended May 31, 2022:

a) the Company issued 50,000 common shares pursuant to the exercise of 50,000 stock options at $0.25 per share for total proceeds of $12,500. The Company transferred $6,964, the fair value of the 50,000 stock options, from reserves to share capital.

Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

On September 23, 2022, the Company granted incentive stock options to two consultants for the right to purchase up to an aggregate of 350,000 common shares of the Company, exercisable at a price of $0.40 per share for a period of 12 months. These options vested on the date of grant. The fair value ($48,306; $0.138 per option) of the stock options granted was determined by using Black Scholes model with the following assumptions: risk free interest rate of 3.75%; volatility of 119.67%; expected life of options 1 year; and dividend rate of 0%

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (cont'd…)

Stock options (cont'd…)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, May 31, 2021	2,700,000	$ 0.28
Exercised	(50,000)	0.25
Expired	(950,000)	0.25
Balance, May 31, 2022	1,700,000	0.30
Expired	(1,700,000)	0.30
Granted	350,000	0.40
Exercised	(250,000)	0.40
Balance, May 31, 2023	100,000	$ 0.40

As at May 31, 2023, the following options are outstanding and exercisable:

Number of Options	Exercise Price	Expiry Date
100,000	$ 0.40	September 23, 2023

Warrants

On July 12, 2022 the Company issued 3,849,999 units at a price of $0.30 per unit for gross proceeds of $1,155,000. Each unit consists of one common share and one common share purchase warrant entitling the holder to acquire one common share in the capital of the Company at a price of $0.55 per share for two years from the date of issuance.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2021 and 2022	2,033,071	$ 0.50
Issued	3,849,999	0.55
Expired	(463,600)	0.50
Balance, May 31, 2023	5,419,470	$ 0.54

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (cont'd…)

Warrants (cont'd…)

As at May 31, 2023, the following warrants are outstanding and exercisable:

Number of Warrants	Exercise Price	Expiry Date
3,849,999	$ 0.55	July 12, 2024
1,569,471	$ 0.50	August 14, 2023

9. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in the financial statements, during the year ended May 31, 2023, the Company entered into the following transactions with related parties:

(a) The Company paid or accrued management fees of $20,000 (2022 - $22,200) to the Chief Financial Officer ("CFO"). As of May 31, 2023, $166,200 (May 31, 2022 - $176,200) is owed to the CFO.

(b) The Company paid or accrued management fees of $35,000 (2022 - $30,000) to the Chief Executive Officer ("CEO"). The CEO forgave $8,700 (2022 - $Nil) of accounts payable during the year ended May 31, 2023. As at May 31, 2023, $270,300 (May 31, 2022 - $286,500) is owed to the CEO of the Company. The Company also paid interest of $2,500 (2022 - $Nil) to the CEO during the period (Note 7).

(c) The Company accrued project management fees of $80,000 (2022 - $Nil) to the exploration manager and a director of the Company. As of May 31, 2023, $248,600 (May 31, 2022 - $168,500) is owed to the director and exploration manager.

Amounts due to related parties are unsecured, non-interest bearing and had no specific terms of repayment.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions during the year ended May 31, 2023 included:

a) $248,600 of exploration and evaluation assets included in due to related parties as of May 31, 2023.

b) issued 150,000 finders' shares valued at $46,500.

c) transfer of $34,504, fair value of 250,000 stock options exercised, from reserves to share capital.

The significant non-cash transactions during the year ended May 31, 2022 included:

a) $191,490 of exploration and evaluation assets included in due to related parties as of May 31, 2022.

b) transfer of $6,964, the fair value of 50,000 options exercised, from reserve to share capital.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

Fair value

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value 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 (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).

As at May 31, 2023, the Company's financial instruments comprise cash, amounts receivable, accounts payable and accrued liabilities due to related parties, and loan from a related party. The carrying values of amounts receivable, accounts payable and accrued liabilities, accounts payable to related parties, and loan from a related party approximate their fair values due to the relatively short periods to maturity of these financial instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount of the Company's financial instruments best represents the maximum exposure to credit risk.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2023, the Company had a cash balance of $211,090 (May 31, 2022 - $5,983) and current liabilities of $718,419 (May 31, 2022 - $805,705).

The Company has historically relied on equity and debt financings to satisfy its capital requirements and will continue to depend heavily upon equity capital and debt to finance its activities. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

Interest rate risk

The Company is not exposed to risk in the event of interest rate fluctuations. The Company has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations.

Foreign currency risk

The Company's functional currency is the Canadian dollar and the majority of its purchases are transacted in Canadian dollars. From time to time, the Company funds certain operations, exploration and administrative expenses in US dollars on a cash call basis using US currency converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

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 identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities. The Company relies mainly on equity issuances and loans from related parties to raise new capital. In the management of capital, the Company includes the components of shareholders' equity (deficiency). The Company prepares annual estimates of operating expenditures and monitors actual expenditures compared to the estimates in an effort to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to negotiate premium interest rates on savings accounts or to invest its cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated at any time without interest penalty. The Company will require additional financing in order to provide working capital to fund costs for the current year. These financing activities may include issuances of additional debt or equity securities.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2023	2022
Loss for the year	$ (517,921)	$ (149,399)
Expected income tax (recovery)	$ (137,000)	$ (40,000)
Share issue costs	(8,000)	-
Permanent differences	13,000	-
Adjustment to prior years provision versus statutory tax returns	(50,000)	(19,000)
Change in unrecognized deductible temporary differences	115,000	59,000
Change in statutory, foreign tax, foreign exchange rates and other	67,000	-
Total income tax expense (recovery)	$ -	$ -

(Expressed in Canadian Dollars)

12. INCOME TAXES (cont'd…)

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

	2023	2022
Deferred tax assets (liabilities):		
Share issue costs	$ 8,000	$ 6,000
Allowable capital losses	273,000	273,000
Non-capital losses available for future periods	1,565,000	1,433,000
	1,846,000	1,712,000
Unrecognized deferred tax assets	(1,846,000)	(1,712,000)
Net deferred tax assets	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2023	Expiry Date Range	2022	Expiry Date Range
Temporary differences:				
Share issue costs	$ 32,000	2043 – 2048	$ 24,000	2043 – 2045
Investment tax credit	$ 9,000	2033	$ 9,000	2033
Exploration and evaluation assets	$ (208,000)	No expiry date	$ (142,000)	No expiry date
Allowable capital losses	$ 1,029,000	No expiry date	$ 1,029,000	No expiry date
Non-capital losses available for future periods	$ 5,907,000	2028 – 2043	$ 5,407,000	2028 – 2042

Tax attributes are subject to review, and potential adjustment, by tax authorities.