PAN AMERICAN ENERGY CORP.

(FORMERLY GOLDEN SUN MINING CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR YEARS ENDED APRIL 30, 2022 and 2021

Baker Tilly WM LLP
900 – 400 Burrard Street
Vancouver, British Columbia
Canada V6C 3B7
T: +1 604.684.6212
F: +1 604.688.3497

vancouver@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pan American Energy Corp.
(formerly Golden Sun Mining Corp.):

Opinion

We have audited the consolidated financial statements of Pan American Energy Corp. (formerly Golden Sun Mining Corp.) (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2022 and 2021, and the consolidated statements of net and comprehensive loss, consolidated statements of changes in equity (deficiency) and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at April 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated 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 audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which describes the events and conditions indicating 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. 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 in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Anna C. Moreton.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
August 29, 2022

Pan American Energy Corp. (formerly, Golden Sun Mining Corp.)
Consolidated Statements of Financial Position
In Canadian Dollars, unless noted

As at	Notes	April 30, 2022	April 30, 2021
		$	$
ASSETS			
Cash		77,613	53,824
Accounts receivable		24,158	9,746
Prepaid expenses		10,103	-
		111,874	63,570
Exploration and evaluation assets	**5**	167,422	-
TOTAL ASSETS		**279,296**	**63,570**
LIABILITIES			
Accounts payable and accrued liabilities		979,205	663,772
Loan payable	**6**	160,591	154,766
Promissory note payable	**7**	152,630	-
TOTAL LIABILITIES		**1,292,426**	**818,538**
EQUITY (DEFICIENCY)			
Share capital	**8**	6,769,503	6,619,503
Reserves	**8**	194,205	145,414
Deficit		(7,976,838)	(7,519,885)
TOTAL EQUITY (DEFICIENCY)		**(1,013,130)**	**(754,968)**
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		**279,296**	**63,570**

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

Going concern (Note 2), Commitments (Note 10) and Subsequent events (Note 13)

Approved on behalf of the Board of Directors on August 29, 2022:

"Eli Dusenbury", Director

"Jason Latkowcer", Director

Pan American Energy Corp. (formerly, Golden Sun Mining Corp.)
Consolidated Statements of Net and Comprehensive Loss
In Canadian Dollars, unless noted

For the years ended April 30,	Notes	2022	2021
		$	$
EXPENSES			
Advertising and promotion		-	20,000
Consulting fees		42,348	34,000
Filing fees		13,668	35,709
Management fees	**9**	144,000	12,000
Office and miscellaneous		23,911	1,491
Professional fees		135,780	128,496
Rent		40,000	15,000
Share-based payments	**8, 9**	48,791	145,414
OPERATING EXPENSES		**(448,498)**	**(392,110)**
Interest expense	**6,7**	(8,455)	(2,248)
NET AND COMPREHENSIVE LOSS		**(456,953)**	**(394,358)**
Loss per share, basic and diluted		(0.18)	(0.36)
Weighted average number of common shares outstanding – Basic and diluted		2,592,517	1,099,366

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

Pan American Energy Corp. (formerly, Golden Sun Mining Corp.)

Consolidated Statements of Changes in Equity (Deficiency)

In Canadian Dollars, unless noted

	Common Shares	Share Capital	Reserves	Deficit	Total Equity (Deficiency)
	(#)	**$**	**$**	**$**	**$**
Balance, April 30, 2020	1,099,366	6,619,503	-	(7,125,527)	(506,024)
Share-based payments	-	-	145,414	-	145,414
Loss for the year	-	-	-	(394,358)	(394,358)
Balance, April 30, 2021	1,099,366	6,619,503	145,414	(7,519,885)	(754,968)
Balance, April 30, 2021	1,099,366	6,619,503	145,414	(7,519,885)	(754,968)
Share-based payments	-	-	48,791	-	48,791
Private placement	2,000,000	100,000	-	-	100,000
Asset acquisition	1,000,000	50,000	-	-	50,000
Loss for the year	-	-	-	(456,953)	(456,953)
Balance, April 30, 2022	**4,099,366**	**6,769,503**	**194,205**	**(7,976,838)**	**(1,013,130)**

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

Pan American Energy Corp. (formerly, Golden Sun Mining Corp.)
Consolidated Statements of Cash Flow
In Canadian Dollars, unless noted

For the year ended April 30,	Notes	2022	2021
		$	$
OPERATING ACTIVITIES			
Net loss for the period		(456,953)	(394,358)
Items not affecting cash			
Share-based payments	8	48,791	145,414
Interest expense	6,7	8,455	2,248
Net changes in non-cash working capital items:			
Accounts receivable		(14,412)	(9,746)
Prepaid expenses		(10,103)	-
Accounts payable and accrued liabilities		315,433	157,748
Cash used in operating activities		**(108,789)**	**(98,694)**
INVESTING ACTIVITY			
Evaluation and exploration expenditures	5	(117,422)	-
Cash used in investing activity		**(117,422)**	**-**
FINANCING ACTIVITIES			
Proceeds from private placement	8	100,000	-
Proceeds from promissory notes	7	150,000	-
Proceeds from loan		-	152,518
Cash received from financing activities		**250,000**	**152,518**
Net change in cash		23,789	53,824
Cash, beginning of year		53,824	-
Cash, end of year		**77,613**	**53,824**

Non-cash financing and investing activities
Issuance of common shares for exploration and evaluation assets for the year ended April 30, 2022 - $50,000 (April 30, 2021 – nil)

Supplementary cash flow information
No cash interest nor income taxes paid during the years ended April 30, 2022 and 2021

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

1. NATURE OF OPERATIONS

a. Corporate information

Pan American Energy Corp. (formally "Golden Sun Mining Corp.") (the "Company") was incorporated under the laws of British Columbia on March 14, 2007. The Company's corporate office and principal place of business is 521 3rd Avenue SW, Suite 100, Calgary, Alberta T2P 3T3.

The Company is Canadian corporation that is in the business of exploration and evaluation of mineral properties.

b. Corporate history and transactions

On September 4, 2013, the BC Securities Commission issued a cease trade order ("CTO") as a result of the Company's failure to file its technical disclosure as per the disclosure requirements of NI 43-101 or NI 51-101. Prior to the CTO the Company was listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "GSU", on the Frankfurt Stock Exchange under the trading symbol "SS6", and on the OTC Pink under the symbol "GSUXF". The Company is in the business of exploration and evaluation of mineral properties.

During the year ended April 30, 2021, the Company completed a share consolidation on the basis of 50 old shares for one post-consolidation share. All share and per share numbers in these consolidated financial statements reflect this consolidation.

On May 5, 2022, the Company entered into a share purchase agreement (the "Agreement") with 1328012 B.C. Ltd. ("Numberco"). Pursuant to the terms of the Agreement, the Company acquired all of the outstanding securities of the Numberco in exchange for securities of the Company. The shareholders of the Numberco received securities of the Company such that they collectively control the Company subsequent to the completion of the transaction. Consequently, the transaction constitutes a reverse acquisition of the Company by Numberco for accounting purposes. Consequently, the comparative figures reported are those of NumberCo.

NumberCo was incorporated under the laws of the Business Corporations Act (British Columbia) on October 12, 2021. As a result of having common management, Numberco is a related party of the Company.

On May 19, 2022, the Company listed its common shares on the Canadian Securities Exchange (the "CSE") under the symbol "GSU". On June 29, 2022, the Company changed its name to "Pan American Energy Corp." from "Golden Sun Mining Corp." and began trading under the symbol "PNRG".

2. GOING CONCERN

These consolidated financial statements have been 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 for the foreseeable future. The Company did not generate cash flow from operations to fund its exploration activities and has therefore relied upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its future operations and exploration activities to the extent such instruments are issuable under terms acceptable to the Company. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise sufficient funds in the future.

These events and conditions create a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. If the Company is unable to secure additional financing, repay liabilities as they come due, negotiate suitable joint venture agreements, and/or continue as a going concern, then material adjustments may be required to the carrying value of assets and liabilities and the consolidated statement of financial position classifications used. These consolidated financial statements do not include any adjustments relating to the classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

The COVID-19 pandemic continues to impact the global economic recovery. The current situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time. Estimates and judgements made by management in the preparation of these consolidated financial statements are subject to a higher degree of measurement uncertainty during this volatile period.

3. BASIS OF PRESENTATION

a. Basis of preparation

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b. Basis of consolidation

These consolidated financial statements include the operations of the Company and its wholly owned subsidiary, 1279612 B.C. Ltd. which is incorporated in British Columbia.

Consolidation of an investee begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All significant intercompany transactions and balances have been eliminated.

c. Foreign currencies

The Company's functional and presentation currency is the Canadian dollar.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

d. Significant accounting judgments and estimates

The timely preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses, and disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. As at April 30, 2022 management has identified the following material estimates:

i. Share-based payments
Management determines fair value for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Similar calculations are made to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

In the preparation of these consolidated financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. The following critical judgments can have an effect on the amounts recognized in the consolidated financial statements:

i. Exploration and evaluation assets
The Company is required to make certain judgments in assessing indicators of impairment of exploration and evaluation assets. Judgment is required to determine if the right to explore will expire in the near future or is not expected to be renewed. Judgment is required to determine whether substantive expenditures on further exploration for and evaluation of mineral resources in specific areas will not be planned or budgeted. Judgment is required to determine if the exploration for and evaluation of mineral resources in specific areas have not led to commercially viable quantities of mineral resources and the Company will discontinue such activities. Judgment is required to determine whether there are indications that the carrying amount of an exploration and evaluation property is unlikely to be recovered in full from successful development of the project or by sale.

4. SIGNIFICANT ACCOUNTING POLICIES

a. Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

i. Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition.

The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by- instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

ii. Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest rate method, net of any impairment. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant year. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period. Interest expense is reported in profit or loss.

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

Financial assets and liabilities carried at FVTOCI are initially recorded at fair value less transaction costs. Unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVOCI are included in comprehensive income or loss in the period in which they arise.

iii. Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv. Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

Financial liabilities are removed from the consolidated statement of financial position when the contract is extinguished, or, when the obligation specified in the contract is either discharged or cancelled or expires. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial

modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss is recorded in profit or loss.

b. Impairment

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

An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal 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 or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, as long as the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

c. Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity. 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 Company considers the fair value of common shares issued in private placements to be the more easily measurable component of unit offerings and the common shares are valued at their fair value, as determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to any attached warrants or other features. Any fair value attributed to warrants is recorded as reserves.

d. Share-based payments

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

The fair value of employee options is measured at grant date and the fair value of non-employee options is at the grant date or over the period such services are received. Each tranche of employee and non-employee options granted is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each consolidated statement of financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Share-based payments granted to non-employees that are related to the issuance of shares are recorded as a reduction of share capital. All share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in the reserve is credited to share capital, adjusted for any consideration paid.

e. Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the consolidated financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method 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 taxable profit or accounting profit.

Deferred tax liabilities on temporary differences associated with shares in subsidiaries and joint ventures is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized for all temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

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

f. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net loss (the numerator) by the weighted average number of outstanding common shares for the period (the denominator). In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments.

In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. Therefore, basic and diluted loss per share are the same.

g. Exploration and evaluation assets

Exploration and evaluation expenditures incurred before the Company has obtained legal rights to explore an area of interest are expensed as incurred. All costs related to the acquisition, exploration and evaluation of mineral properties incurred subsequent to the acquisition of legal rights to explore, including property maintenance costs, are capitalized by property. Mineral properties acquired from entities under common control are recorded at the same carrying value which the common control entity carried the mineral properties at. If economically recoverable mineral reserves are determined to exist, capitalized costs of the related property will be reclassified as mineral assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off or derecognized. Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

In circumstances where indicators of impairment exist, an impairment test is required to determine if the carrying amount of the exploration and evaluation asset exceeds its estimated recoverable amount. The estimated recoverable amount is the greater of fair value less costs of disposal, and value in use. If the exploration and evaluation asset is determined to be impaired, the exploration and evaluation asset is written down to the estimated recoverable amount.

The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing and permitting to explore and complete the development of the properties, and future profitable production from the disposition of the minerals produced from the properties or by sale.

5. EXPLORATION AND EVALUATION ASSETS

On December 4, 2021, the Company entered into the Amended and Restated Asset Purchase Agreement with Beta Energy Corp. and Voltaic Minerals (USA), Inc. for the purchase of the mineral property referred to as the Green Energy Project located in the State of Utah. Pursuant to the terms of the agreement, the Company will issue to Beta Energy Corp. 1,000,000 common shares. In addition, at any time within twenty-four months following the closing date, the Company shall issue to Beta Energy Corp. $950,000 worth of common shares at the market price, either in a single or multiple tranches.

The total value of the initial acquisition was $50,000 (1,000,000 common shares, issued at $0.05/share) and has been recorded as “Exploration and evaluation Assets” on the consolidated statement of financial position.

In addition, the Company has capitalized $117,422 in costs related to the exploration and evaluation of the property acquired.

6. LOAN PAYABLE

On November 18, 2020, the Company entered into a loan agreement with a non-arm’s length party for $50,000, bearing interest at Prime plus 1% per annum due on November 18, 2021. On January 28, 2021, the Company entered into a further loan agreement with a non-arm’s length party for $152,518 bearing interest at a rate of 4.00% per annum due on demand or before July 1, 2021. On April 19, 2021, the Company repaid $50,000 under the 4.00% loan payable.

As at April 30, 2022, $160,591 (April 30, 2021 - $154,766) is outstanding, including $152,518 in principal plus $8,073 in accrued interest payable (April 30, 2021 - $152,518 and $2,248, respectively).

7. PROMISSORY NOTE PAYABLE

On February 22, 2022, the Company entered into a promissory note agreement ("Loan") with Numberco, under which the Company may borrow up to $500,000 in advance of pursuing a transaction with Numberco. The Loan accrues interest at 10% per annum payable along with the principal on demand or before the date which falls six months from the issuance date of the initial advance, as outlined by the Numberco. As of April 30, 2022, the Company has borrowed $150,000 and accrued a total of $2,630 in interest expense related to the Loan.

8. SHARE CAPITAL

a) Authorized and Issued Share Capital

The authorized share capital consists of an unlimited number of common shares without par value.

Common shares issued and outstanding as at April 30, 2022 are 4,099,366 (April 30, 2021 – 1,099,366).

During the year ended April 30, 2022, the Company had the following common share transactions:

- During October 2021, the Company issued 2,000,000 common shares at $0.05 per common share for total gross proceeds of $100,000 pursuant to a private placement.

- On December 4, 2021, the Company issued 1,000,000 common shares to Beta Energy Corp and Voltaic Minerals (USA) for the acquisition of the Green Energy Project located in the State of Utah (Note 5). The fair value of the acquisition was $50,000 (1,000,000 common shares, issued at their fair value of $0.05/share).

- During the year ended April 30, 2021, the Company had no common share transactions.

b) Share Purchase Options

On December 30, 2020, the Company's new share-based compensation plan ("new compensation plan") was approved at the Company's annual general meeting. The new compensation plan includes stock options, restricted share rights "RSRs") and deferred share units ("DSUs"). The maximum aggregate number of shares reserved for issuance under the Company's new compensation plan shall not exceed a combined total of 20% of the Company's then issued and outstanding shares to officers, employees, directors, advisors and consultants. The exercise price is determined by the Board of Directors provided the minimum exercise price is set at the greater of the Company's closing share price on the day before the grant date and the closing share price on the date of the grant. The options can be granted for a maximum term of five years and vesting terms are determined by the Board of Directors at the date of grant.

In Canadian Dollars, unless noted

A summary of the Company's share purchase options ("options") is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2021 & April 30, 2022	**300,000**	**$ 0.50**

At April 30, 2022, the following options were outstanding:

Grant Date	Number of Options	Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Life
April 22, 2021	300,000	300,000	$0.50	April 22, 2026	3.98
	300,000	**300,000**	$0.50		

Inputs used to calculate the fair value of the options issued were a stock price of $0.81, expected life of 5 years, volatility of 100% and a discount rate of 0.93%.

During the year ended April 30, 2022, the Company recorded a fair value of $48,791 pursuant to options vesting (year ended April 30, 2021 – $145,414).

9. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

The aggregate value of transactions relating to key management personnel during the year ended April 30, 2022 and 2021 were as follows:

	April 30, 2022	April 30, 2022
	$	**$**
Management fees (CEO)	144,000	12,000
Share-based payments	48,791	145,414
Total	**192,791**	**157,414**

As at April 30, 2022, $65,438 (April 30, 2021 – $28,385) was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

10. COMMITMENTS

The Company has a contract with a company controlled by the CEO of the Company for monthly payments of $12,000 for a period of two years beginning in May 2021. The CEO shall receive and be granted an aggregate of 1,000,000 restricted shares (“RSRs”) under the Company’s equity incentive plan, with vesting subject to the following performance-based milestones:

500,000 of the RSRs will vest in three equal tranches based on the successful completion of the following:

a) Successful launch of a pilot project;
b) Successful fundraise of $5,000,000 in a single financing or in a series of financings; and
c) Complete an acquisition or series of acquisitions with a total value over $2,000,000.

The RSRs have not yet been issued and management has applied vesting probability of 0% to the vesting of these RSRs.

The remaining 500,000 RSRs will be released quarterly in four equal tranches beginning four months after the date of final acceptance of the Company’s listing. As the Company was successfully listed on the CSE subsequent to year-end, the RSRs were granted and released on May 19, 2022. At April 30, 2022 the Company did not have sufficient room under the its equity compensation plan and accordingly the RSRs are not formally vested and no compensation has been recorded for the year ended April 30, 2022.

In Canadian Dollars, unless noted

11. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows for the years ended April 30, 2022 and 2021:

	April 30, 2022	April 30, 2021
	$	$
Loss for the year	(456,953)	(394,358)
Combined tax rate	27%	27%
Expected income tax (recovery)	(123,000)	(106,000)
Share-based compensation	13,000	39,000
Share issue cost	-	(1,000)
Change in unrecognized deductible temporary differences	110,000	68,000
Total income tax expense (recovery)	**-**	**-**

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

	April 30, 2022	April 30, 2021
Deferred tax assets (liabilities)		
Exploration and evaluation assets	334,000	334,000
Property and equipment	8,000	8,000
Share issue costs	12,000	12,000
Non-capital losses	751,000	641,000
	1,105,000	995,000
Unrecognized deferred tax assets	(1,105,000)	(995,000)
Net deferred tax assets	**-**	**-**

As at April 30, 2022, the Company has approximately $2,781,000 in non-capital losses to carry forward to future years, expiring as follows:

Year of expiry	
2042	409,000
2041	247,000
2040	8,000
2039	25,000
2033	568,000
2032	668,000
2031	438,000
2030	247,000
2029	85,000
2028	80,000
2027	6,000
	2,781,000

12. RISK MANAGEMENT

a) Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

i. Credit Risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk on its $77,613 in cash (April 30, 2021 - $53,824) is low as the Company's cash is held with major Canadian financial institutions, or in trust with the Company's legal counsel.

ii. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at April 30, 2022 the Company has cash of $77,613 and a working capital deficiency is $1,180,552 (April 30, 2021 - $754,968), and it does not have any long-term monetary liabilities. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company intends to seek additional financing to better manage its liquidity risk to ensure it will have sufficient liquidity to meet its current and future liabilities.

iii. Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as other price risk, currency risk and interest rate risk, affect the fair values of financial assets and liabilities.

Other Price Risk
The market value of the Company's shares could affect future equity financings.

Interest Rate Risk
At June 30, 2022, the Company has interest-bearing liabilities (i.e. loan payable, accounts payable). As a result the Company is exposed to interest rate risk, although it is minimal.

Currency Risk
The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to minimal currency risk and minimal impact on net impact if FX rates changed by 10%.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

b) Fair Values

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The carrying values of cash, accounts payable and accrued liabilities, loan payable and promissory note payable approximate their fair values due to their short-term to maturity.

The Company's cash is considered to be Level 1 within the fair value hierarchy, where as the remaining financial instruments are considered to be Level 3, within the fair value hierarchy.

13. SUBSEQUENT EVENTS

Subsequent events not already disclosed elsewhere in the notes to the consolidated financial statements are as follows:

On May 5, 2022, the Company entered into a share purchase agreement (the "Agreement") with Numberco. The Company acquired 100% of Numberco's issued and outstanding securities in exchange for 20,000,100 common shares and 20,000,000 share purchase warrants of the Company. As a result of the Agreement, holders of Numberco's shares hold 20,000,100 common shares representing 82.99 percent, and holders of the Company shares hold 4,099,366 shares representing 17.01 percent, of Numberco. The shareholders of Numberco, therefore, control the Company upon completion of the Agreement. The transaction was accounted for as a reverse acquisition, with Numberco identified as the acquirer.

On May 19, 2022, concurrent with the listing of the Company's common shares on the CSE, the Company granted 1,300,000 share purchase options to certain directors, officers and consultants.

On June 24, 2022, the Company entered into debt settlement agreements with certain creditors of the Company, pursuant to which it discharged aggregate indebtedness of $228,708 in consideration of the issuance of a total of 1,270,600 common shares of the Company at a fair value of $0.42 per common share. The Company recognized a loss on debt settlement of $304,944.

Subsequent to April 30, 2022, the Company entered into a property option agreement with Magabra Resources Corporation (the "Vendor") pursuant to which the Company has been granted the right to acquire up to a 90% interest in the Big Mack Property (the "Property"), which consists of a single mining lease in the Paterson Lake Area. The Company has the right to acquire up to 90% in the following three phases of cash and share consideration:

1. Phase One
In phase one, the Company shall be entitled to acquire a 51% interest in and to the Property by:

- $80,000 in cash payable to the Vendor within thirty days following the date of the agreement;
- Issuing, within sixty days following the date of the agreement, such number of common shares of the Company to the Vendor having a value equal to $200,000, calculated on the date of issuance using the market price of the Shares on the Canadian Securities Exchange (the "CSE") on such date, such common shares being subject to voluntary resale restrictions whereby, subject to applicable securities laws and stock exchange rules, 50% of such common shares shall be released to the Vendor immediately upon the date of issuance, and the remaining 50% shall be released four (4) months after the date of issuance; and
- Incurring, within twelve months following the date of the agreement, $1,000,000 worth of exploration expenditures on the Property.

2. Phase Two
Conditional upon completion of phase one, the Company shall be entitled to acquire an additional 24% interest in and to the Property, for a total interest of 75%, by:

- An additional $90,000 in cash payable to the Vendor on or before the date that is twelve months following the date of the agreement;
- Issuing, on or before the date that is twenty-four months following the date of the agreement, such additional number of common shares to the Vendor having a value equal to $400,000, calculated on the date of issuance using the market price of the common shares on the CSE on such date, such shares being subject to voluntary resale restrictions whereby, subject to applicable securities laws and stock exchange rules, 50% of such common shares shall be released to the Vendor immediately upon the date of issuance, and the remaining 50% shall be released four (4) months after the date of issuance; and
- Incurring, within twenty-four months following the Effective Date, an additional $1,000,000 worth of exploration expenditures on the Property.

3. Phase Three
Conditional upon completion of phase one and phase two, the Company shall be entitled to acquire an additional 15% interest in and to the Property, for a total interest of 90%, by:

- An additional $30,000 in cash payable to the Vendor on or before the date that is thirty-six months following the date of the agreement;
- Issuing, on or before the date that is thirty-six months following the date of the agreement, such additional number of common shares to the Vendor having a value equal to $100,000, calculated on the date of issuance using the market price of the Shares on the CSE on such date, such common shares being subject to voluntary resale restrictions whereby, subject to applicable securities laws and stock exchange rules, 50% of such common shares shall be released to the Vendor immediately upon the date of issuance, and the remaining 50% shall be released four (4) months after the date of issuance; and
- Incurring, within thirty-six months following the date of the agreement, an additional $1,000,000 worth of exploration expenditures on the Property.

Upon satisfaction of phase three, the Company will grant the Vendor a 2% net smelter returns royalty (the "NSR Royalty"), with the Company retaining the right to buy back from the Vendor the NSR Royalty for $2,000,000.