FIRST PHOSPHATE CORP.
(formerly First Potash Corp.)

Annual Financial Statements

February 28, 2023 and February 28, 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
First Phosphate Corp.

Opinion

We have audited the accompanying financial statements of First Phosphate Corp. (formerly known as First Potash Corp.) (the "Company"), which comprise the statements of financial position as at February 28, 2023 and 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), 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 February 28, 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.

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.

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 of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 10 to the financial statements, the carrying amount of the Company's E&E Assets was $3,644,234 as of February 28, 2023. As more fully described in Note 3 and 4 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 Asset.

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

- Obtaining an understanding of the key controls associated with evaluating the E&E Assets for indicators of impairment.
- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing compliance with agreements including reviewing option agreements and vouching cash payments and share issuances.
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the E&E Assets 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 Daniel Nathan.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

June 28, 2023

STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

Assets	February 28, 2023 $	February 28,2022 $
Current Assets		
Cash (Note 6)	1,180,318	-
Restricted cash (Note 6)	35,000	-
Prepaid expenses (Note 7)	800,600	-
Other receivables	189,866	-
	2,205,784	**-**
Non-Current Assets		
Investments (Note 8)	83,060	-
Exploration and evaluation assets (Note 11)	3,644,234	-
	3,727,294	**-**
Total Assets	**5,933,078**	**-**
Liabilities and Shareholders' Equity (Deficiency)		
Current Liabilities		
Accounts payable	146,658	60,178
Accrued liabilities	272,757	12,500
Flow-through share premium liability (Note 12)	91,333	-
	510,748	**72,678**
Total Liabilities	**510,748**	**72,678**
Shareholders' Equity (Deficiency)		
Capital stock (Note 13)	16,923,000	8,927,636
Contributed surplus (Note 13)	2,086,279	1,466,528
Shares to be issued (Note 13)	68,257	-
Deficit	(13,655,206)	(10,466,842)
Total Shareholders' Equity (Deficiency)	**5,422,330**	**(72,678)**
Total Liabilities and Shareholders' Equity (Deficiency)	**5,933,078**	**-**

Nature of operations (Note 1)
Going concern (Note 2)
Subsequent events (Note 18)

Approved and authorized by the Board of Directors on June 26, 2023

"BENNETT KURTZ"
Director

"JOHN PASSALACQUA"
Director

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

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the years ended	
	February 28, 2023	**February 28, 2022**
	$	**$**
Expenses		
Mining exploration and metallurgy (Note 11)	1,184,443	-
Share based compensation (Note 13 and 14)	542,805	-
Business development	377,387	-
Professional fees	371,631	54,738
Management fees (Note 14)	308,389	-
General administrative expenses	202,233	-
Regulatory and compliance expenses	159,254	9,779
Consulting fees	57,366	-
Directors' fees (Note 14)	66,500	-
Total expenses	**(3,270,008)**	**(64,517)**
Other Income		
Gain on amortization of flow-through share premium liability (Note 12)	74,767	-
Gain on recognition of fair value of loan	6,877	-
Net loss and comprehensive loss	**(3,188,364)**	**(64,517)**
Loss per common share – basic and diluted	**(0.13)**	**(0.11)**
Weighted average number of common shares outstanding	**25,372,346**	**598,718**

The share numbers have been adjusted retroactively to reflect a consolidation of the Company's common shares on a one new share for five hundred old shares basis effective June 1, 2022 (See Note 13).

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
For the years ended February 28, 2023 and February 28, 2022
(Expressed in Canadian Dollars)

	Common Shares					
	Number of Shares	**Amount $**	**Contributed Surplus $**	**Shares to be issued $**	**Deficit $**	**Total $**
Balance, February 28, 2021	**598,718**	**8,927,636**	**1,466,528**	**-**	**(10,402,325)**	**(8,161)**
Loss for the year	-	-	-	-	(64,517)	(64,517)
Balance, February 28, 2022	**598,718**	**8,927,636**	**1,466,528**	**-**	**(10,466,842)**	**(72,678)**
Shares issued for private placement	40,182,004	6,997,900	-			6,997,900
Flow -through share premium liability		(166,100)				(166,100)
Share issuance costs		(458,863)	103,011			(355,852)
Shares issued for acquisition of exploration and evaluation assets	6,238,000	1,559,500				1,559,500
Shares issued as finder's fee for exploration and evaluation assets	700,000	14,000				14,000
Shares issued for services	100,000	35,000				35,000
Share based compensation			542,805			542,805
Options exercised	500,000	13,927	(3,927)			10,000
Shares to be issued			(22,138)	68,257		46,119
Loss for the year					(3,188,364)	(3,188,364)
Balance, February 28, 2023	**48,318,722**	**16,923,000**	**2,086,279**	**68,257**	**(13,655,206)**	**5,422,330**

The share numbers have been adjusted retroactively to reflect a consolidation of the Company's common shares on a one new share for five hundred old shares basis effective June 1, 2022 (See Note 13).

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

STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the years ended February 28, 2023 $	February 28, 2022 $
Operating Activities		
Loss for the year	(3,188,364)	(64,517)
Non-cash expense:		
Share based compensation	542,805	-
Shares issued for services	35,000	-
Gain on recognition of fair value of loan	(6,877)	-
Accretion of loan payable	6,877	-
Gain on amortization of flow-through share premium liability	(74,767)	-
Changes in non-cash working capital items:		
Other receivables	(189,866)	-
Prepaid expenses	(800,600)	-
Accounts payable	86,480	-
Accrued liabilities	260,257	38,336
Net cash used in Operating Activities	**(3,329,055)**	**(26,181)**
Investing Activities		
Long term investments	(83,060)	-
Purchase of exploration and evaluation assets	(1,820,734)	-
Restricted cash (investment in GIC held as collateral)	(35,000)	-
Net cash used in Investing Activities	**(1,938,794)**	-
Financing Activities		
Issuance of shares	6,997,900	-
Share issue costs	(355,852)	-
Issuance of shares via exercise of options	10,000	-
Repayment of loan payable	(250,000)	-
Proceeds from issuance of promissory note	850,000	-
Repayment of promissory note	(850,000)	-
Proceeds from shares issuable	46,119	-
Net cash provided by Financing Activities	**6,448,167**	-
Net change in cash for the year	1,180,318	(26,181)
Cash, beginning of the year	-	26,181
Cash, end of the year	**1,180,318**	-

STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the years ended February 28, 2023 $	February 28, 2022 $
Supplemental cash flow information		
Shares issued for mineral property finder's fees	14,000	-
Recognition of flow-through liability	166,100	-
Purchase of exploration and evaluation assets by issue of shares	1,559,500	-
Warrants issued for finder's fees	103,011	-
Transfer of contributed surplus upon option exercise	3,927	-
Transfer of contributed surplus on warrant exercise	22,138	-
Loan payable issued for mineral properties	250,000	-

The Company paid $nil in taxes and $12,171 in interest for the year ended February 28, 2023 (2022 - $nil and $nil, respectively).

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

1. Nature of Operations

First Phosphate Corp. (the "Company") was incorporated in British Columbia on September 18, 2006. On June 29, 2022 the Company filed articles of amendment with the Province of British Columbia changing its name from First Potash Corp. to First Phosphate Corp. The address of the Company's corporate office and registered and records office is 1055 West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. For the year ended February 28, 2023, the Company has been in the business of acquiring and exploring igneous rock phosphate mineral properties in the Saguenay Region of Quebec for the purposes of developing and producing phosphoric acid for use in lithium iron phosphate ("LPF") batteries for the electric vehicle industry.

On March 26, 2021, the Alberta Securities Commission and British Columbia Securities Commission each issued an order revoking their previously issued cease trade orders in respect of the securities of the Company. The Company filed an application for listing with the Canadian Securities Exchange (the CSE) and received approval to list its common shares on the CSE at the opening of market on February 22, 2023. The Company is listed under the symbol "PHOS" on the CSE and "KD0" on the Frankfurt Stock Exchange (the "FSE").

A consolidation of the Company's common shares on a one for five hundred basis effective June 1, 2022 has been reflected retroactively throughout these financial statements (See Note 13).

2. Going Concern

These financial statements have been prepared under International Financial Reporting Standards ("IFRS") applicable to a going concern, 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. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. While the Company has been successful in arranging financing in the past, the success of such initiatives cannot be assured.

The Company has certain committed operational milestones over the next 12 months and based on the Company's current forecasted operational and developmental spend, the Company has sufficient funds to fund its operations for the next twelve months.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. Basis of Presentation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

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

These financial statements were authorized for issue by the Board of Directors on June 26, 2023.

(b) Functional and presentation currency

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

(c) Critical accounting judgements and estimates

In preparing these financial statements, management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Income tax

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

Ability to continue as a going concern

The Company applies judgment in assessing whether material uncertainties exist that would cause doubt as to whether the Company could continue as a going concern.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share purchase options and broker's warrants granted. Option pricing models require the input of subjective assumptions including expected share price, price volatility, dividend yield and forfeiture rate. Changes in the input assumptions can materially impact fair value estimates and the Company's comprehensive loss and equity reserves.

The Company applies judgement in determining the value of common shares issued for non-cash consideration which cannot be reliably measured. In determining the fair value of the common shares, management estimated the fair value of the common shares by reference to the price of the common shares issued for cash approximately around the time of the issue of the common shares as management believe that this was the most reliable measure. This judgement requires management to make various assumptions and estimates which are susceptible to uncertainty.

Fair value of investment in unquoted equity investments

The Company has an investment in Integrals Power Limited, a private entity's shares. Management estimates cost approximates fair value when there is insufficient more recent information available to measure fair value. There are no indicators that cost might not be representative of fair value.

4. Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with IFRS and reflect the following significant accounting policies:

Financial Instruments

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories:

(i) those to be measured subsequently at fair value (either through other comprehensive income ("FVTOCI"), or through profit or loss ("FVTPL"); and
(ii) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized costunless they are designated as those to be measured subsequently at fair value through profit or loss (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income or loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. The Company has implemented the following classifications:

Financial Instrument	Classification
Cash	FVTPL
Investments	FVTPL
Restricted cash	Amortized cost
Accounts payable	Amortized cost

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or 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 financial liability. The Company measures its financial instruments as below. See Note 15 for additional information on the classification of the Company's financial instruments.

Impairment

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates a loss event has occurred after the initial recognition of the asset and the loss event had a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

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

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. For diluted per share computations, assumptions are made regarding potentialcommon shares outstanding during the year. The weighted average number of common shares is increased to include the number of additional common shares that would be outstanding if, at the beginning of the year, or attime of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase theCompany's common shares at their average market price during the year, thereby reducing the weighted averagenumber of common shares outstanding. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probably that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees andservice providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised, and the amount initially recorded is then credited to capital stock.
In situations where equity instruments are issued to non-employees and some or all the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Tax credits receivable

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of the exploration costs incurred based on estimates made by management. The Company records these tax credits in the period when there is reasonable assurance with regard to collections and assessments and that the Company will comply with conditions associated with them.

Unit offerings

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

Flow-through placements

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as an other liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the other liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financing expense until qualifying expenditures are incurred.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's equity that results from transactions and events other than the Company's shareholders. Gains and losses that would otherwise be recorded as part of net earnings is presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings. Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss)and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the years presented, net loss was the same as comprehensive loss.

Exploration and evaluation assets

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Costs incurred before the Company has obtained the legal rights to explore an area are expensed in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to acquisition costs are recognized and capitalized. Subsequent exploration and evaluation expenditures are expensed as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance unless the fair value of goods or services received is determinable. Payments related to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded in the amounts upon payment.

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.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss. The Company assesses exploration and evaluation assets for impairment at least annually and when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production. Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision. Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset. The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses. Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

For the periods presented, the Company does not have any decommissioning obligations.

Provisions

Provisions are recognized when present legal and constructive obligations as a result of a past event will likely lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Recent Accounting Pronouncements

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Deferral of Effective Date.

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date.

(Expressed in Canadian Dollars)

These amendments:
- specify that the rights and conditions existing at the end of the reporting period are relevant in determiningwhetherthe Company has a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether the Company willexercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2024 and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its financial statements.

5. Changes in Accounting Policies

Effective for the year ended February 28, 2023, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures which had been applied in its interim financial statements for the first three quarters of the year. The Company believes that expensing such costs as incurred provides more reliable and relevant financial information. The cost of exploration activities, excluding costs incurred to acquire and secure exploration property licenses and professional fees directly related to such acquisitions are expensed until it has been established that a mineral property is commercially viable. Previously, the Company capitalized these amounts in its interim financial statements. The change has no impact on the Company's financial statements as at and for the year ended February 28, 2022 or at March 1, 2021.

6. Cash and restricted cash

Cash includes cash held at the bank of $ 1,180,318 (February 28, 2022 - $ nil).

Restricted cash is comprised of a $35,000 investment in a guaranteed investment certificate ("GIC") (2022 - $nil). The GIC is a one-year cashable term with a maturity date of October 24, 2023, earning annual interest of 3% per annum. The GIC is held as collateral for credit cards issued to officers of the Company.

7. Prepaid Expenses

Prepaid expenses include cash paid in advance to vendors amounting to $765,803, and excess payments of $34,797 made to credit cards. (February 28, 2022 - $nil). The following table further details the expenses for which these amounts were paid in advance:

Nature of expenses	**$**
Business development	272,215
Consulting fees	245,105
Mining exploration and metallurgy	139,733
General administrative expenses	78,750
Directors' fees	30,000
Total	**765,803**

(Expressed in Canadian Dollars)

8. Investments

On January 10, 2023, the Company entered into an investment and licensing option agreement (“Agreement”) with Integrals Power Limited (“IPL”), a UK company, under the terms of which the Company acquired 7,386 IPL shares for £50,000 ($83,060). Under the terms of the Agreement, IPL granted an option to acquire a license to use IPL technology in a facility of a production capacity of up to 1,000-tonnes of lithium iron phosphate (LFP) cathode active material for a further payment of £950,000 (unpaid). IPL also granted the Company another option to acquire, for an additional upfront payment of £1,000,000 (unpaid), a license to use IPL technology in a facility of a production capacity beyond 1,000-tonnes. The Company is committed to a 1.5% royalty per kilogram of LFP cathode active material sold from the facility which uses IPL technology.

9. Loans payable

On September 13, 2022, the Company entered into a loan payable for the principal sum of $250,000 with a maturity date of February 17, 2023 as per the agreement with Glen Eagle Resources for acquisition of mineral properties in Lac `a l'Orignal flagship area (See Note 11(a)). No interest shall accrue or be payable in respect of the principal amount. This loan was paid in cash in full during the year ended February 28, 2023.

As at February 28, 2022, the Company had $nil in loans payable.

A continuity of loans payable for the year ended February 28, 2023 is as follows:

	$
Balance as at February 28, 2022	-
Addition to loans payable	243,123
Accretion expense	6,877
Repayment	(250,000)
Balance as at February 28, 2023	**-**

The Company has recognized a gain on below market interest rate benefit of $ 6,877 relating to this loan payable.

10.Promissory note payable

On November 30, 2022, the Company issued a promissory note payable to Expoworld Ltd., a corporation owned by the CEO of the Company, of $850,000 (February 28, 2022 - $ nil). The maturity date of the promissory note is February 28, 2024. The Company is required to pay interest of 8% per annum. This promissory note, including accrued interest of $12,171 (February 28, 2022 - $ nil), was paid in cash in full during the year ended February 28, 2023. (See note 14)

(Expressed in Canadian Dollars)

11. Exploration and Evaluation Assets

The following details the changes in exploration and evaluation assets in the Saguenay Region of Quebec for the year ended February 28, 2023:

	Lac`a l'Orignal Flagship area (a) $	Begin - Lamarche area (b) $	Bluesky area (c) $	Total $
Balance as at February 28, 2022	-	-	-	-
Acquisition costs	3,270,709	264,200	109,325	3,644,234
Balance as at February 28, 2023	3,270,709	264,200	109,325	3,644,234

The Company expenses non-acquisition exploration and evaluation expenditure to profit and loss. This is presented as mining exploration and metallurgy in the statement of loss and comprehensive loss. The following details such expenditure for the year ended February 28, 2023:

	Lac`a l'Orignal Flagship area (a) $	Begin - Lamarche area (b) $	Bluesky area (c) $	Total $
Consulting	18,500	36,101	-	54,601
Survey, Drilling & Geophysics	286,486	514,651	-	801,137
Metallurgy	328,705	-	-	328,705
	633,691	550,752	-	1,184,443

(a) Lac `a l'Orignal flagship area

On June 17, 2022, the Company entered into an option agreement (the “Agreement”), which was subsequently amended, with an arm's length TSX Venture Exchange listed company (the “Optionor”), which provides the Company the right to acquire a 100% legal and beneficial interest, subject to an existing 1% net smelter return (NSR) royalty, in a phosphate exploration property in the Province of Quebec. Pursuant to the Agreement, the Company acquired the interest in the Property by paying a total cash consideration of $1,491,000 as follows:

(i) $191,000 on June 17, 2022, which payment was made

(ii) $300,000 on or before July 7, 2022, which payment was made

(iii) $100,000 on or before July 25 2022 (as amended), which payment was made

(iv) $400,000 on or before August 25, 2022 (as amended), which payment was made

(v) $250,000 on or before September 14, 2022 (as amended), which payment was made

(vi) $250,000 by issuing a non interest bearing promissory note (note 9) with maturity date of February 17, 2023, on or before September 14, 2022. (as amended), which was issued and paid.

Further, as per the agreement, the Company issued 6,000,000 of its common shares at $0.25 per share for total value of $1,500,000.

The common shares are subject to a resale restriction with 10% of such shares being released on March 31, 2023 and 15% of such shares being released every three months thereafter.

The Company purchased the 1% NSR royalty relating to this property for $50,000. Further, the Company issued 700,000 shares at $0.02 per share as finder's fees for the mineral property.

In the event the Company has more than 85,000,000 shares issued and outstanding on a fully diluted basis at the time of completing its listing on the Canadian Securities Exchange (the "CSE"), the Company is committed to issue additional shares to the optionor computed as:

(a) 8.95% multiplied by; (b) the number of issued and outstanding shares on a fully diluted basis at the time of completing the CSE Listing; (c) less 6,000,000 shares already issued to the optionor. As of date of listing, the company had less than 85,000,000 shares outstanding. Accordingly, no additional shares were issued to the optionor.

The Company also purchased two additional mineral claims in the proximity of the Lac`a l'Orignal property for $15,000 in cash.

The Company entered into an option agreement with 2 individuals, to acquire 11 mineral claims in the Province of Quebec in the proximity of the Lac`a l'Orignal property. The Company made a payment of $90,000 in cash for the acquisition of mineral claims.

On September 12, 2022, the Company entered into an agreement to purchase 7 mining claims in this region of the Province of Quebec for total consideration of $21,000 comprised of $7,000 settled by issuing 28,000 shares at $0.25 per share and $ 14,000 in cash. Further, the Company has paid $89,709 in cash for claim staking in the year ended February 28, 2023.

(b) Begin - Lamarche area

On July 27, 2022, the Company purchased 24 mining claims in this region of the Province of Quebec for a total consideration of $222,500 which comprised of $12,500 settled by issuing 50,000 shares at $0.25 per share and $210,000 in cash. Further, the Company has paid $41,700 in cash for claim staking in the year ended February 28, 2023.

(c) Bluesky area

On September 12, 2022, the Company purchased 23 mining claims in this region of the Province of Quebec for total consideration of $50,000 which comprised of $40,000 settled by issuing 160,000 common shares at $0.25 per share and $10,000 in cash. Further, the Company has paid $59,325 in cash for claim staking in the year ended February 28, 2023.

(Expressed in Canadian Dollars)

12. Flow-through Share Premium Liability

	For the year ended February 28, 2023 $	For the year ended February 28, 2022 $
Beginning balance	-	-
Liability incurred through flow-through shares issued	166,100	-
Amortization for the year	(74,767)	-
Ending Balance	**91,333**	-

The Company issued 3,322,000 flow through units("FT") at $0.40 per unit for gross proceeds of $1,328,000, the breakdown of which is available in Note 12(g). The flow through share gross proceeds includes a flow through share premium of $166,100, priced at $0.05 per unit.

13. Share Capital and Contributed Surplus

The authorized capital stock of the Company is an unlimited number of common shares and an unlimited number of preferred shares issuable in series.

The Company has no preferred shares outstanding.

	For the year ended February 28, 2023		For the year ended February 28, 2022	
	Number of Shares	**Amount $**	**Number of Shares**	**Amount $**
Balance, February 28, 2021 and 2022	598,718	8,927,636	598,718	8,927,636
Issuance of shares in private placement ($0.02 per share) (see (a) below)	19,300,000	386,000	-	-
Issuance of shares as finder's fees for mineral properties (see (a) below)	700,000	14,000	-	-
Issuance of shares on exercise of stock options ($0.02 per share) (see (b) below)	500,000	13,927	-	-
Issuance of shares on acquisition of exploration assets ($0.25 per share) (see (c) below)	6,238,000	1,559,500	-	-
Issuance of shares in private placement ($0.25 per share) (see (d) and (e) below)	8,629,000	2,157,250		
Issuance of shares and purchase warrants in private placement ($0.35 per unit) (see (f) below)	8,931,004	3,125,850		
Issuance of flow-through shares and purchase warrants in private placement ($0.40 per unit) (see (g) below)	3,322,000	1,328,800		
Issue of shares for services (see (h) below)	100,000	35,000		
Flow -through share premium liability (note 12)		(166,100)		
Share issuance costs (see (a), (d), (e), (f) and (g) below)		(458,863)		-
Balance, February 28, 2023	**48,318,722**	**16,923,000**	**598,718**	**8,927,636**

The share numbers have been adjusted retroactively to reflect a consolidation of the Company's common shares on a one new share for five hundred old shares basis effective June 1, 2022

Capital and Contributed Surplus transactions:

(a) On June 28, 2022, the Company issued 19,300,000 common shares at $0.02 per share for gross proceeds of $386,000. Legal fees of $11,655 were incurred by the Company relating to the issuance and were recorded as share issuance costs. Also, 700,000 shares at $0.02 per share for total value of $14,000 were issued as a finder's fee for mineral properties on the same date.

(b) On July 11, 2022, 500,000 options were exercised at $0.02 per share for gross proceeds of $10,000. The fair value of options on the grant date was computed as $3,927 and was reclassified upon exercise from contributed surplus to share capital.

(c) The Company issued 6,050,000 common shares at $0.25 per share under purchase agreements for exploration assets with a fair value of $1,512,500 (see notes 11(a) and 11(b)). On September 12, 2022, the Company issued 28,000 common shares at $0.25 per share for mining claims in the Lac `a l'Orignal flagship area (see note 11(a)) and 160,000 common shares at $0.25 per share for mining claims in the Bluesky area (see note 11(c)).

(d) On August 23, 2022, the Company issued 7,035,000 shares at $0.25 per share for gross proceeds of $1,758,750. As a broker's fee for the private placement, the Company paid $67,560, recorded as share issuance costs.

(e) On August 31, 2022, the Company issued 1,594,000 shares at $0.25 per share for gross proceeds of $398,500. The Company paid $13,280 and issued 323,360 common share purchase warrants as brokers' fees for the issuances, recorded as share issuance costs. The fair value of the warrants was determined based on the Black Scholes pricing model at $43,395.

(f) On December 1, 2022, the Company issued 685,716 units at $0.35 per unit for gross proceeds of $ 240,001. On December 22, 2022, the Company issued 3,647,362 units at $0.35 per unit for gross proceeds of $1,276,577. Further on January 17, 2023, the Company issued 1,574,784 units at $0.35 per unit for gross proceeds of $551,174 and on February 15, 2023, the Company issued 3,023,142 units at $0.35 per unit for gross proceeds of $1,058,100. Each unit consisted of one share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional share at a price of $0.50 until December 31, 2025. The Company paid $57,544 as brokers' fees and issued 182,697 warrants as brokers' warrants. The fair value of the broker warrants was computed as $36,031 using the Black Scholes pricing model and recorded as share issuance costs. The Company has accrued $149,092 incurred as legal fees related to the issuance of shares as at February 28, 2023.

(g) On December 1, 2022, the Company issued 600,000 flow-through ("FT") units at $0.40 per unit for gross proceeds of $240,000. On December 22, 2022 the Company issued 1,472,000 FT units at $0.40 per unit for gross proceeds of $588,800. On December 30, 2022 the Company issued 1,250,000 FT units at $0.40 per unit for gross proceeds of $500,000. Each FT unit consists of one flow-through common share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional non-flow through share at a price of $0.50 until December 31, 2025. The value of share capital was determined using the fair market value of the shares on the date of issuance. The Company issued 99,400 warrants and paid $46,160 as brokers' fees for the private placement. The fair value of the broker warrants was computed as $23,585 using Black Scholes pricing model and recorded to share issuance costs.

(h) The Company issued 100,000 shares at $0.25 per share for services. The fair value of the shares was $35,000 and was determined using the fair market value of the shares on the date of issuance.

(i) Subscriptions of $46,119 for 184,480 warrants were received as at February 28, 2023 and have been recorded as shares to be issued. The fair value of these warrants on the grant date was computed as $22,138 and was reclassified upon exercise from contributed surplus to shares to be issued. The shares were issued on March 9, 2023 (Note 18).

Options

The Company adopted a Stock Option Plan (the "Plan") on August 25, 2022 (the "effective date") under which the Company is authorized to grant stock options entitling option holders to purchase up to that number of common shares that is equal to 20% of the issued and outstanding common shares of the Company as at the effective date of the Plan. The Company is authorized to issue up to 6,836,744 options.

The Board of Directors (the "Board") fixes the exercise price of any stock option when such stock option is granted, which shall be no lower than the exercise price permitted by the CSE. A stock option is exercisable during a period established by the Board, commencing on the date of the grant and terminating no later than ten years after the date of the grant of the award or such shorter period as the Board may determine.

Vesting conditions are determined by the Board at each grant date except in the case of stock options issued to consultants engaged in investor relations activities which vest in nine months in quarterly intervals beginning on the grant date.

(Expressed in Canadian Dollars)

	Number of Options	Weighted Average Exercise Price $
Outstanding, February 28, 2021	4,650	70
Expired during the year	(4,250)	75
Outstanding, February 28, 2022	400	35
Issued during the year	6,725,000	0.28
Expired during the year	(400)	35
Exercised during the year	(500,000)	0.02
Outstanding as at February 28, 2023	6,225,000	0.30

The following is a summary of options outstanding and exercisable as at February 28, 2023:

Expiry date	Number of options outstanding	Number of options exercisable	Exercise price $	Life remaining
February 22, 2026	3,075,000	768,750	0.25	2.99
February 22, 2026	3,150,000	787,500	0.35	2.99

During the year ended February 28, 2023, the Company recorded $542,805 of share based compensation related to the vesting of options (February 28, 2022 - $nil). The fair value of options was based on the Black Scholes pricing model, with the following weighted average inputs:

Weighted Averages	
Share price	$0.28
Dividend yield	Nil
Exercise price	$0.28
Risk Free interest rate	3.60%
Expected volatility	100%
Expected expiration	3.13

Warrants

During the year ended February 28, 2023, the Company issued 323,360 warrants at an exercise price of $0.25 per share and 282,097 warrants at an exercise price of $0.50 per share as broker fees for private placements. 6,126,500 warrants were issued at an exercise price of $0.50 per share as part of several private placements that took place during the year ended February 28, 2023.

(Expressed in Canadian Dollars)

	Number of warrants	Weighted Average Exercise Price $
Outstanding as at February 28, 2022	124,224	0.32
Issued during the year	6,731,957	0.49
Cancelled during the year	(124,224)	0.32
Exercised during the year (Note 13(i))	(184,480)	0.25
Outstanding as at February 28, 2023	6,547,477	0.49

The following is a summary of warrants outstanding and exercisable as at February 28, 2023:

Expiry date	Number of warrants	Exercise price $	Weighted average life remaining
August 23, 2024	138,880	0.25	1.48
December 31, 2025	6,408,597	0.50	2.84

Warrants issued as part of units are valued using the residual method in accordance with the Company accounting policy, with a value of $Nil for the year ended February 28, 2023 (2022 - $Nil) for the 6,126,500 granted. The fair value of the 605,457 finders warrants granted was estimated to be $103,011 at the grant date, based on the Black Scholes pricing model, with the following weighted average inputs:

Weighted Averages	
Share price	$0.30
Dividend yield	Nil
Exercise price	$0.37
Risk Free interest rate	3.48%
Expected volatility	100%
Expected expiration	2.48

14. Related Party Transactions

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of

(Expressed in Canadian Dollars)

Directors and corporate officers.

Key management personnel compensation is comprised of:

	For the year ended February 28, 2023 $	February 28, 2022 $
Management fees	308,389	-
Director's fees	66,500	-
Share based compensation	320,160	-
	695,049	-

Due from related parties

	February 28, 2023 $	February 28, 2022 $
Prepaids	30,000	-
	30,000	**-**

The prepaid balance includes amounts paid to a director in advance for director fees.

Due to related parties

	February 28, 2023 $	February 28, 2022 $
Accounts payable	79,290	58,617
	79,290	**58,617**

The accounts payable balance includes amounts payable to key management personnel for services received during the year.

The Company issued a promissory note payable of $850,000 to a related party. This promissory note was paid in cash in full during the year ended February 28, 2023. Further details of the transaction may be found in Note 10.

15. Financial Instruments and Capital Risk Management

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash and investments at FVTPL and restricted cash and accounts payable at amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of fair value hierarchy are:

(Expressed in Canadian Dollars)

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value by levels within the fair value hierarchy:

As at February 28, 2023

	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Cash	1,180,318	-	-	1,180,318
Investments	-	-	83,060	83,060
	1,180,318	**-**	**83,060**	**1,263,378**

The investments in Level 3 include the investment in privately held companies that are not quoted on an exchange. The costs approximate the fair values as there is insufficient more recent information available to measure fair value.
The Company is exposed in varying degrees to a variety of financial instrument related risks:

Credit risk
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk as its maximum exposure relates to cash and restricted cash balances totaling $1,215,318.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company as at February 28, 2023, has $1,180,318 in cash and $35,000 in restricted cash and $419,415 in financial liabilities, which represents the Company's maximum exposure to liquidity risk.

The following are the contractual maturities of financial liabilities.

As at February 28, 2023

	Carrying amount $	**Contractual cash flows $**	**Less than 1 year $**	**1-3 years $**
Accounts payable	146,658	146,658	146,658	-
Accrued liabilities	272,757	272,757	272,757	-
	419,415	**419,415**	**419,415**	**-**

As at February 28, 2023, the Company has sufficient working capital to satisfy its financial liabilities (Note 2).

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss as a result of a change in the interest rate is low, as the Company have no investments or liabilities with variable interest rates.

(b) Foreign currency risk
As at February 28, 2023 and February 28, 2022, the Company's financial instruments are primarily denominated in Canadian dollars, its significant expenditures are in Canadian dollars, and any future equity raised is expected to be in Canadian dollars. As a result, the Company believes its currency risk to be minimal.

(c) Price risk
Price risk is related to equity and commodity price risks. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price
movements and volatilities. As the Company holds no equity or commodity related investments or assets, the Company has no exposure to price risk.

Capital management
The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

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

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the years ended February 28, 2023 and 2022. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

16. Income Taxes

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

	2023 $	2022 $
Loss for the year	(3,188,364)	(64,517)
Expected income tax recovery based on statutory rate	(861,000)	17,000
Change in statutory, foreign tax, foreign exchange rates and other	(6,000)	-
Permanent differences	127,000	-
Impact of flow through share	150,000	-
Share issue cost	(96,000)	-
Adjustment to prior years provision versus statutory tax returns	(1,264,000)	-
Change in unrecognized deductible temporary differences	1,950,000	(17,000)
Total income tax expense (recovery)	-	-

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		
Share issue costs	77,000	-
Exploration and evaluation assets	253,000	-
Allowable capital losses	57,000	-
Non-capital losses available for future period	1,604,000	41,000
	1,991,000	**41,000**
Net unrecognized deferred tax assets	(1,991,000)	(41,000)
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				
Exploration and evaluation assets	935,000	No expiry date	-	No expiry date
Share issue costs	285,000	2044 to 2047	-	2042 to 2045
Allowable capital losses	209,000	No expiry date	-	No expiry date
Non-capital losses available for future periods	5,940,000	2027 to 2043	153,000	2039 to 2041
Canada	5,940,000	2027 to 2043	153,000	2039 to 2041

17. Segmented Information

The Company has one operating segment involved in the exploration of mineral properties. All of the Company's operations and long-lived assets for the year ended February 28, 2023 were in Canada.

18. Subsequent Events

(a) Acquisition of claims –

On March 10, 2023, the Company acquired 13 additional mineral claims in the Begin-Lamarche area for consideration of $22,825 from an arm's length party through the issuance of 27,173 common shares.

(b) Exercise of warrants –

On March 9, 2023, the Company issued 238,240 common shares at $0.25 per share, on the exercise of brokers' warrants. Of these warrant exercise proceeds $46,119 had been received as at February 28, 2023 are recorded as shares to be issued in these financial statements.

On May 17, 2023, the Company issued 7,143 common shares at $0.50 per share, on the exercise of brokers' warrants, for total proceeds of $3,572.

On May 30, 2023, the Company issued 4,480 common shares at $0.25 per share, on the exercise of brokers' warrants, for total proceeds of $1,120.

(c) Private Placement –

On April 24, 2023, the Company issued 1,205,217 units at $0.70 per share for gross proceeds of $843,652. Each unit consists of one share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional share at a price of $1.25 until April 30, 2026. Also, the company issued 1,869,375 FT units at $0.80 per unit for gross process of $1,495,500. Each FT unit consists of one flow-through common share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional non-flow through share at a price of $1.25 until April 30, 2026. Total gross proceeds from the transaction were $2,339,152.

The Company issued 42,857 common shares at $0.51 per share and 149,654 warrants as broker's fees related to the private placement. Each whole warrant is exercisable for one additional non-flow through share at a price of $1.25 until April 30, 2026.

(d) Issue of options –

On April 24, 2023, the Company granted 100,000 options exercisable at $0.70 per share to a consultant. The options vest as follows: (i) 25% vested on April 24, 2023 (ii) increments of 25% vest every six months after March 1, 2023. These options expire three years from the grant date.

On April 24, 2023, the Company granted 732,000 options exercisable at $0.70 per share to a consultant. The options vest as follows: (i) 25% vested on April 24, 2023, (ii) increments of 25% vest every six months after April 1, 2023. These options expire three years from the grant date.

(e) Cancellation of options –

On April 5, 2023, 225,000 stock options were cancelled.