QUANTUM BATTERY METALS CORP.
(formerly Quantum Cobalt Corp.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

APRIL 30, 2023 AND 2022

(Expressed in Canadian Dollars - Unaudited)

Notice of No Auditor Review of Interim Financial Statements

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are responsibility of the Company's management.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

QUANTUM BATTERY METALS CORP. (formerly Quantum Cobalt Corp.)
Condensed Consolidated Interim Statements of Financial Position
As at April 30, 2023 and January 31, 2023
(Expressed in Canadian dollars)

		April 30, 2023 (Unaudited)		January 31, 2023 (Audited)
ASSETS				
CURRENT				
Cash	$	3,037	$	33,337
Tax recoverable and other receivable		33,361		31,636
Prepaid expenses		5,418		5,931
		41,816		70,904
NON-CURRENT				
Exploration and evaluation assets (Note 4)		2,977,314		2,973,314
	$	3,019,130	$	3,044,218
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Notes 6 and 7)	$	1,164,345	$	1,139,763
Premium on flow-through shares (Note 7)		7,618		7,618
Loans payable (Note 5)		445,739		439,949
		1,617,702		1,587,330
SHAREHOLDERS' EQUITY				
Share capital (Note 7)		31,573,075		31,573,075
Subscriptions received in advance (Note 7)		1,500		1,500
Reserves		3,685,046		3,685,046
Deficit		(33,858,193)		(33,802,733)
		1,401,428		1,456,888
	$	3,019,130	$	3,044,218

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
SUBSEQUENT EVENTS (Note 12)

Approved and authorized for issue on behalf of the Board on June 27, 2023:

"Quinn Field-Dyte"
Director

"Marc Momeni"
Director

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

QUANTUM BATTERY METALS CORP. (formerly Quantum Cobalt Corp.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three months ended April 30,
(Expressed in Canadian dollars - unaudited)

		2023		2022
EXPENSES				
Advertising and promotion	$	-	$	347,025
Consulting fees		-		50,000
Interest on loans payable (Notes 5 and 6)		5,790		7,009
Investor relations		1,840		320
Management fees (Note 6)		27,500		50,750
Office and miscellaneous		4,649		4,605
Professional fees		9,000		9,000
Transfer agent and filing fees		3,185		5,033
		(51,964)		(473,742)
OTHER ITEM				
Foreign exchange (loss) gain		(3,496)		3,506
		(3,496)		3,506
NET LOSS AND COMPREHENSIVE LOSS	$	(55,460)	$	(470,236)
LOSS PER SHARE – BASIC AND DILUTED	$	(0.00)	$	(0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED		28,993,151		21,296,494

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

QUANTUM BATTERY METALS CORP. (formerly Quantum Cobalt Corp.)
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)
For the three months ended April 30, 2023 and 2022
(Expressed in Canadian dollars - unaudited)

	Common Shares						
	Number	**Amount**	**Subscriptions Received**	**Reserves**	**Deficit**	**Total**
Balance at January 31, 2022	18,102,041	$ 27,183,718	$ 1,021,500	$ 3,820,514	$ (33,294,170)	$ (1,268,438)
Shares issued for cash (Note 7)	2,280,000	771,170	(1,020,000)	368,830	-	120,000
Exercise of Warrants (Note 7)	4,166,666	1,741,665	-	(449,998)	-	1,291,667
Net loss and comprehensive loss	-	-	-	-	(470,236)	(470,236)
Balance at April 30, 2022	24,548,708	$ 29,696,553	$ 1,500	$ 3,739,346	$ (33,764,406)	$ (327,007)
Balance at January 31, 2023	28,993,151	$ 31,573,075	$ 1,500	$ 3,685,046	$ (33,802,733)	$ 1,456,888
Net loss and comprehensive loss	-	-	-	-	(55,460)	(55,460)
Balance at April 30, 2023	28,993,151	$ 31,573,075	$ 1,500	$ 3,685,046	$ (33,858,193)	1,401,428

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

QUANTUM BATTERY METALS CORP. (formerly Quantum Cobalt Corp.)
Consolidated Statements of Cash Flows
For the three months ended April 30,
(Expressed in Canadian dollars - unaudited)

		2023		**2022**
OPERATING ACTIVITIES				
Net loss and comprehensive loss	$	(55,460)	$	(470,236)
Adjustment for non-cash items:				
Accrued interest on loans payable		5,790		7,009
Changes in non-cash working capital items:				
Tax recoverable and other receivable		(1,725)		(6,208)
Prepaid expenses		513		-
Accounts payable and accrued liabilities		24,582		127,766
Net cash used in operating activities		(26,300)		(341,669)
INVESTING ACTIVITY				
Mineral property exploration expenditures		(4,000)		(156,060)
Net cash used in investing activity		(4,000)		(156,060)
FINANCING ACTIVITIES				
Proceeds from shares issued for cash		-		70,000
Proceeds from exercise of warrants		-		1,291,667
Net cash provided by financing activities		-		1,361,667
INCREASE (DECREASE) IN CASH		(30,300)		863,938
CASH, BEGINNING OF PERIOD		33,337		17,087
CASH, ENDING OF PERIOD	$	3,037	$	881,025

Supplementary cash flow information and non-cash transactions (Note 10)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Quantum Battery Metals Corp. (formerly Quantum Cobalt Corp.) (the "Company") was incorporated on August 6, 2010 under the British Columbia Business Corporations Act. On November 7, 2017, the Company changed its name to Quantum Cobalt Corp. from Bravura Ventures Corp. to better reflect its direction and cobalt resource properties and begun trading under the stock symbol "QBOT". On March 23, 2021, the Company changed its name to Quantum Battery Metals Corp. to better reflect its direction and its cobalt and lithium resource properties and begun trading under the stock symbol "QBAT". The Company is domiciled in Canada and is a reporting issuer with its common shares publicly traded on the Canadian Securities Exchange ("CSE"). The Company is currently in the process of identifying, exploring and developing mineral properties. The address of its head office is 400-837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6.

On April 23, 2021, the Company completed the acquisition of 1296991 B.C. Ltd. ("1296991"). 1296991 holds an option over the surface access rights, mineral rights, mineral exploration data and permits to 32 mining claims comprising the Rose West lithium project (Notes 4 and 7).

On October 7, 2022, the Company completed the acquisition of 1371817 B.C. Ltd. comprising Lac Mistumis Lithium project (Notes 4 and 7).

At April 30, 2023, the Company had a working capital deficiency of $1,575,886 (January 31, 2023 - $1,516,426). The Company has incurred losses since its inception and has an accumulated deficit of $33,858,193 as of April 30, 2023 (January 31, 2023 - $33,802,733) which has been funded primarily by the issuance of shares and loans.

These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company has incurred ongoing losses and has a working capital deficiency. The Company's ability to continue on a going concern basis beyond the next twelve months depends on its ability to raise additional financing. Accordingly, these factors give rise to a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak might increase the difficulty in raising capital which may negatively impact the Company's business and financial condition. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

These condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

(Expressed in Canadian dollars - unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements comply with International Accounting Standards ("IAS") 34 ("Interim Financial Reporting Standard").

The condensed consolidated interim financial statements were authorized for issue in accordance with a resolution from the Board of Directors on June 27, 2023.

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 2. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these consolidated financial statements are in accordance with IFRS. The functional currency of the Company and its subsidiaries is the Canadian Dollar, which is also the presentation currency.

The accounting policies set out below have been applied consistently except for changes described in Note 3 to all periods presented in these condensed consolidated interim financial statements.

c) Basis of consolidation

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Subsidiary	Status	% of Ownership
10336602 Canada Inc.	Inactive	100%
1142674 BC Ltd.	Inactive	100%
1296991 BC Ltd.	Inactive	100%
1371817 BC Ltd.	Inactive	100%

d) Significant accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements in compliance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized prospectively by including it in comprehensive loss in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated financial position reporting date, that could result in a

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Significant accounting estimates and judgments (continued)

material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates and judgments

Exploration and evaluation expenditures

The application of the Company’s accounting policy for exploration and evaluation expenditure 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 an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written-off in the profit or loss in the period the new information becomes available.

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases. When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating unit must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale of the property when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company’s capacity to obtain financial resources necessary to complete the evaluation and development and the renewal of permits. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amounts capitalized are written-off in profit or loss in the period in which the new information becomes available.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Going concern

The Company is a going concern and will continue in operation for the foreseeable future and at least one year. The factors considered by management are disclosed in Note 1.

Fair value

All financial instruments are required to be recognized at fair value on initial recognition. Subsequent measurement of these instruments is at amortized cost or at fair value depending on their classification.

Fair value is the amount of consideration that would be agreed upon in an arm's-length transaction, between knowledgeable, willing parties who are under no compulsion to act. This is a point-in-time measurement that may be changed in subsequent reporting periods due to market conditions or other factors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Significant accounting estimates and judgments (continued)

Critical accounting estimates and judgments (continued)

Fair value (continued)

Fair value of a financial instrument is determined by reference to quoted prices in the most advantageous active market to which the Company has immediate access. In the absence of an active market, fair value is determined on the basis of internal or external valuation models, including discounted cash flow models. Fair value determined using these valuation models, requires the use of assumptions concerning the amount and timing of estimated future cash flows as well as the number of variables. In determining these assumptions, external readily observable market inputs are considered, as applicable, otherwise the Company uses the best possible estimate.

Deferred tax

Income taxes and tax exposures recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates for past events, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profit or loss, it assesses the probability of taxable profits being available in the future based on its budget forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused tax credits and losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

Business combination

Determining if acquisition of entity or a group of assets constitute a business combination must be in accordance with IFRS 3, which outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Each business combinations are accounted for using the "acquisition method", which requires:

- Identifying the acquirer;
- Determining the acquisition date;
- Recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
- Recognizing and measuring goodwill or a gain from a bargain purchase.

Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are sources of estimation and uncertainty.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Significant accounting estimates and judgments (continued)

Critical accounting estimates and judgments (continued)

Warrants and compensation and share-based payments

The estimation of warrants and compensation and share-based payments costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of warrants and compensation and share-based payments granted, and the time of exercise of those. The model used by the Company is the Black-Scholes valuation model. However, future volatility, probable life and exercise period remain uncertain and the model has limits.

e) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized, provided that legal rights to explore a specific area have been obtained. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units of production method over estimated recoverable reserves. Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

f) Impairment of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than it's carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Impairment of exploration and evaluation assets (continued)

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

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, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

g) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity, or in other comprehensive profit or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

The Company recognizes a deferred tax asset or liability for all deductible temporary differences arising from equity securities of subsidiaries, unless it is probable that the temporary difference will not reverse in the foreseeable future and the Company is able to control the timing of the reversal.

h) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Decommissioning, restoration and similar liabilities (continued)

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to $Nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as at April 30, 2023 and January 31, 2023.

i) Share-based compensation

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity-settled share-based payments reserve.

The fair value of share-based compensation is determined using the Black-Scholes Option Pricing Model taking into account the features of the plan and market data as at the grant date and on the basis of the Company’s management assumptions.

Consideration received on the exercise of stock options is recorded as share capital and the related equity-settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity-settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

j) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Share capital and warrants

Common shares and warrants are classified in equity. Issue costs that are directly attributable to the issuance of shares and warrants are recognized in equity as a deduction from the issue proceeds during the period when these transactions occur.

Proceeds from unit placements are allocated between shares and warrants issued using the relative fair value method. Proceeds are charged in proportion to the fair value of shares based on the stock prices at the time of issue and the fair value of the warrants determined using the Black-Scholes Option Pricing Model.

The fair value attributed to the warrant is recorded as reserves in equity. If the warrant is exercised, the value attributed to the warrant is transferred to share capital. If the warrant expires unexercised, the value is conserved to reserves within equity.

l) Flow-through shares

Current Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company renounce the tax deductions for expenses related to exploration activities to the benefit of investors. The issue of flow-through shares is in substance an issue of ordinary shares and the sale of tax deductions. At the time the Company issues flow-through shares, the sale of tax deductions is deferred and presented as premium on flow-through shares in the consolidated statement of financial position to recognize the obligation to incur and renounce eligible resource exploration and evaluation expenditures. The premium is measured as the difference between the current market price of the Company's common shares and the issue price of the flow-through share. Upon incurring and renouncing eligible resource exploration and evaluation expenditures, the Company recognizes the sale of tax deductions as a tax deduction recovery on the statement of comprehensive income (loss) and reduces the premium on flow-through shares.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

m) Impairment of non-financial assets

At the end of each reporting period, the Company assesses each cash-generating unit 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. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Cash and cash equivalents

Cash and cash equivalents consist of cash and liquid investments which are readily convertible into cash with maturities of three months or less when purchased. The Company's cash and cash equivalents are invested with major financial institutions and are not invested in any asset-backed deposits or investments. As of April 30, 2023 and January 31, 2023, the Company only held cash.

o) Option agreement on mining properties

Options on interests in mining properties acquired by the Company are recorded at the value of disbursed cash consideration, including any economic benefit transferred, but excluding future spending commitment. Since the commitment of future expenditures does not meet the definition of a liability, it is not recognized. Expenditures are recorded only when they are incurred by the Company.

When the Company sells its interests in mineral properties, it uses the book value of the property before the sale of the option as part of the carrying value of the property and credits any monetary consideration received and the fair value of other financial assets against the carrying value of this property. Any surplus is recorded in net income.

p) Provisions, contingent liabilities and contingent assets

A present obligation arises from the presence of legal or constructive commitment that has resulted from past events, such as legal disputes, liabilities related to decommissioning, restoration and similar liabilities or onerous contracts. The evaluation of provisions corresponds to the estimated expenditures required to settle the present obligation, based on the most reliable evidence available at the date of presentation of financial information, including risks and uncertainties relating to the obligation. When there is a large number of similar obligations, the likelihood that an outflow of resources will be required to settle these obligations is determined by considering the class of obligations as a whole. Provisions are discounted when the time value of money is significant. Any reimbursement that the Company can be virtually certain to collect from a third party to the obligation is recognized as a separate asset. However, this asset should not exceed the amount of the related provision. Provisions are reviewed at each reporting date for financial information and adjusted to reflect current best estimates at that date. When a possible outflow of resources of economic benefits as a result from present obligations is considered either improbable or a low probability is determined, no liability is recorded unless it was assumed in the course of a business combination. In a business combination, contingent liabilities related to a present obligation is recognized in the allocation of the purchase price of the assets acquired and liabilities are assumed as part of the business combination. They are subsequently measured at the highest amount of a comparable provision, as described above, and the amount initially recognized, net of depreciation.

q) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

r) Business combinations

Business combinations are accounted for using the acquisition method in compliance with IFRS 3. The cost of the acquisition is measured at the aggregate of the fair values at the date of acquisition, of assets transferred, liabilities incurred or assumed, and equity instruments issued by the

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Business combinations (continued)

Company. The acquiree's identifiable assets and liabilities assumed are recognized at their fair value at the acquisition date. Acquisition related costs are recognized in profit or loss as incurred. The excess of the consideration over the fair value of the net identifiable assets acquired and liabilities assumed is recorded as goodwill. Any gain on a bargain purchase is recorded in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. Any goodwill that arises is tested annually for impairment. During the year ended January 31, 2022, the Company acquired 1296991 B.C. Ltd., which did not meet the definition of a business and was recorded as an asset acquisition. During the year ended January 31, 2023, the Company acquired 1371817 B.C. Ltd., which did not meet the definition of a business and was recorded as an asset acquisition.

s) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive 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 the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	**IFRS 9 Classification**
Cash	Amortized cost
Other receivable	Amortized cost
Accounts payable	Amortized cost
Other payable	Amortized cost
Loans payable	Amortized cost

Measurement

<u>Financial assets at FVTOCI</u>
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

<u>Financial assets and liabilities at amortized cost</u>
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

<u>Financial assets and liabilities at FVTPL</u>
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs expensed in the statements of loss and comprehensive loss. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of loss and comprehensive loss in the period in which they arise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s) Financial instruments (continued)

Impairment of financial assets 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's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve months expected credit losses. The Company shall recognize in the statements of net 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.

Derecognition

Financial assets
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 the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of income/loss and comprehensive income/loss.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

New accounting standards issued and effective

Annual Improvements to IFRS Standards 2018-2020

The standard IFRS 9 Financial Instrument have been revised to incorporate amendments issued by the IASB in May 2020. The amendment clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The application of these amendments had no impact on the Company's loss or financial position.

Other new standards or amendments are either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

Accounting standards and amendments issued but not yet adopted

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after February 1, 2022, or later periods. The Company has not early adopted these new standards in preparing these consolidated financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

(Expressed in Canadian dollars - unaudited)

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Accounting standards and amendments issued but not yet adopted (continued)

IAS 1 - Presentation of Financial Statements

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. This standard has been revised to incorporate amendments issued by the IASB in February 2021 to require entity to disclose material accounting policies information rather than significant accounting policies. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

IAS 8 - Definition of Accounting Estimates—Amendments

This standard Accounting Policies, Changes in Accounting Estimates and Errors has been revised to incorporate amendments issued by the IASB in February 2021. The amendments introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

I*AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in May 2021. The amendments clarify the accounting for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in IAS 12 no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

4. EXPLORATION AND EVALUATION ASSETS

	Rabbit Cobalt Property	Kahuna Cobalt Property	Nipissing Lorain Property	Albanel Lithium Property	Kelso Lithium Property	Lac Mistumis Lithium Property	Total
	$	$	$	$	$	$	$
Balance, January 31, 2022	40,584	-	19,901	426,617	377,995	-	865,097
Property acquisition	-	-	-	-	-	1,822,222	1,822,222
Exploration expenditures	50,376	2,713	46,720	53,250	20,303	12,633	185,995
Advance royalty	-	100,000	-	-	-	-	100,000
Balance, January 31, 2023	90,960	102,713	66,621	479,867	398,298	1,834,855	2,973,314
Exploration expenditures	666	667	667	668	666	666	4,000
Balance, April 30, 2023	91,626	103,380	67,288	480,535	398,964	1,835,521	2,977,314

Rabbit Cobalt Property

On August 16, 2017, the Company closed its acquisition of 10336602 Canada Inc. (“10336602”) pursuant to a share exchange agreement, dated July 28, 2017, among the Company, 10336602 and the shareholders of the target. 10336602 holds the Rabbit Cobalt Property, comprising of approximately 1,000-hectares located 14 kilometers southeast of Temagami and 55 kilometers south of Cobalt, near the eastern border of Ontario. The property comprises of 66 claim units.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Rabbit Cobalt Property (continued)

Pursuant to the share exchange agreement, the Company made a cash payment of $350,000 and issued a total of 400,000 common shares in the capital of the Company, to the shareholders of 10336602 in exchange for 100,000 Class A common shares in the capital of 10336602. A finder's fee in the amount of $35,000 was paid in connection with the acquisition.

During the year ended January 31, 2020, substantive expenditure on further exploration for and evaluation of the Rabbit Cobalt Property was not being planned. As a result, a write-off of $2,436,067 was recorded to the consolidated statement of loss and comprehensive loss during the year ended January 31, 2020.

During the year ended January 31, 2022, the Company began the comprehensive work program for its cobalt properties. The Company incurred $40,584 of exploration expenditures during the year ended January 31, 2022, $50,376 during the year ended January 31, 2023, and $666 during the three months ended April 30, 2023.

Kahuna Cobalt Property

On October 5, 2017, the Company closed and signed the definitive agreement with Caprock Ventures Corp. dated August 10, 2017 to acquire 100% of the approximately 1,200-hectare Kahuna cobalt-silver property, located 37 kilometers south of Cobalt, Ontario. Pursuant to the share exchange agreement, the Company paid a cash payment of $300,000 and issued a total of 1,000,000 common shares in the capital of the Company. A finder's fee in the amount of $31,500 was paid in connection with the acquisition. The properties are subject to a 0.5% net smelter return royalty on cobalt-gold production, which includes advance royalty payments of $25,000 annually on December 31, beginning in 2020. The Company has the option at any time to purchase 0.5% of the royalty on payment of $500,000. The original vendors of the property will retain a 1% NSR on the properties. The Company will have the right to purchase the 1% for $1,000,000.

During the year ended, January 31, 2020, substantive expenditure on further exploration for and evaluation of the Kahuna Cobalt Property has not yet been planned, and has been evaluated pending the Company obtaining further funding. As a result, a write-off of $1,022,567 was recorded to the consolidated statement of loss and comprehensive loss during the year ended January 31, 2020.

During the year ended January 31, 2023, the Company incurred $2,713 of exploration expenditures and accounted $100,000 as royalty due. During the three months ended April 30, 2023, the Company incurred $667 of exploration expenditures.

Nipissing Lorain Property

On November 29, 2017, the Company closed the acquisition of 1142674 B.C. Ltd. ("1142674") pursuant to a share exchange agreement, among the Company, 1142674 and the shareholders of 1142674. 1142674 holds the Nipissing Lorrain cobalt project which is located 26 kilometers southeast of Cobalt, Ont. The property consists of 38 claim units for approximately 464 hectares.

Pursuant to the share exchange agreement, the Company was required to pay an aggregate amount of $1,000,000 over a six-month period from date of close of the share exchange agreement, with an initial cash payment of $500,000 (paid on closing) and $250,000 subsequently every three months. During the year ended January 31, 2022, the subsequent payments amounting to $500,000 were recorded as liability on the consolidated statement of financial position. As at January 31, 2023, the Company has paid off this debt. A total of 500,000 common shares in the capital of the Company were also issued on closing to the shareholders of 1142674 in exchange for one Class A common share in the capital of 1142674.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Nipissing Lorain Property (continued)

During the year ended January 31, 2020, substantive expenditure on further exploration for and evaluation of the Nipissing Lorain Property was not being planned. In addition, the Company had not made all of the required payments under its November 29, 2017 share exchange agreement. As a result, a write-off of $9,700,000 was recorded to the consolidated statement of loss and comprehensive loss during the year ended January 31, 2020.

During the year ended January 31, 2022, the Company began the comprehensive work program for its cobalt properties. The Company incurred $19,901 of exploration expenditures during the year ended January 31, 2022, $46,720 during the year ended January 31, 2023, and $667 during the three months ended April 30, 2023.

Albanel Quebec Lithium Property

On October 3, 2019, the Company entered into a binding acquisition agreement with 1225768 B.C. Ltd. to acquire a 100% interest in, and to, certain mineral properties, together with surface right, mineral rights, personal property and permits associated therewith, located in the Albanel Quebec lithium property. The Albanel Quebec lithium property is a lithium prospect with an approximate area of 2,751 hectares in a mining-friendly jurisdiction of Quebec. Pursuant to the acquisition agreement, the Company issued a total of 1,000,000 common shares in the capital of the Company with a fair value of $350,000.

During the year ended January 31, 2022, the Company began the exploration work program for its lithium properties. The Company incurred $75,639 of exploration expenditures during the year ended January 31, 2022, $53,250 during the year ended January 31, 2023, and $668 during the three months ended April 30, 2023.

Kelso Quebec Lithium Property

On October 3, 2019, the Company entered into a binding acquisition agreement with 1225768 B.C. Ltd. to acquire a 100% interest in, and to, certain mineral properties, together with surface right, mineral rights, personal property and permits associated therewith, located in the Kelso Quebec lithium property. The Kelso Quebec lithium property is a lithium prospect with an approximate area of 1,005 hectares in a mining-friendly jurisdiction of Quebec. Pursuant to the acquisition agreement, the Company issued a total of 1,000,000 common shares in the capital of the Company with a fair value of $350,000.

During the year ended January 31, 2022, the Company began the exploration work program for its lithium properties. The Company incurred $27,638 of exploration expenditures during the year ended January 31, 2022, $20,303 during the year ended January 31, 2023, and $666 during the three months ended April 30, 2023.
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Lac Mistumis Lithium Property

On October 7, 2022, the Company closed the share exchange agreement with 1371817 BC Ltd. ("1371817") and the shareholders of 1371817. Through the acquisition of 1371817, the Company would acquire 100% of the approximately 2,750-hectare Lac Mistumis Lithium Property, located in the territory of Eeyou Istchee, James Bay, Northern Quebec, Canada.

Pursuant to the share exchange agreement, the Company issued 4,444,444 common shares to the vendors in exchange for 100% of the outstanding shares of 1371817 (Note 7). The property is subject to a 3% net smelter returns royalty to the original vendor.

(Expressed in Canadian dollars - unaudited)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Lac Mistumis Lithium Property (continued)

The Company has accounted for the purchase of 1371817 as an asset acquisition as it did not meet the definition of a business under IFRS 3, "Business Combination". The following table summarizes the total consideration, the fair value of the identifiable assets acquired and liabilities assumed as of the date of the acquisition:

Fair value of common shares issued (4,444,444 shares at $0.41)	$	1,822,222
Total consideration	$	1,822,222
Assets acquired:		
Exploration and evaluation asset	$	1,822,222

The Company incurred $12,633 of exploration expenditures during the year ended January 31, 2023 and $666 during the three months ended April 30, 2023.

5. LOANS PAYABLE

As at April 30, 2023 and January 31, 2023, loans payable are as follows:

		April 30, 2023		**January 31, 2023**
Third party loan, unsecured (due on demand, bearing interest at 7% per annum) (a)	$	100,000	$	100,000
Third party loans, unsecured (due on demand, bearing interest at 8% per annum) (b)		81,800		81,800
Third party loan, unsecured (due on demand, bearing interest at 3% per annum) (c)		20,000		20,000
Related party loan, unsecured (due on demand, bearing interest at 3% per annum) (c)		20,000		20,000
Third party loan, unsecured (due on demand, bearing interest at 10% per annum) (e)		90,000		90,000
Accrued interest (f)		133,939		128,149
	$	445,739	$	439,949

a) During the year ended January 31, 2018, the Company received share subscriptions of $300,000 from a non-related party. On July 31, 2019, the share subscriptions were converted into a loan which bears interest at 14% per annum from February 1, 2019 to January 31, 2020 and 7% per annum onwards. The loan is unsecured and due on demand. As at January 31, 2023, $200,000 of the loan was paid.
b) During the year ended January 31, 2020, the Company received loans of $81,800 from non-related parties which bear interest at 8% per annum, which are unsecured and due on demand.
c) On June 2, 2020, the Company received loans of $40,000, of which $20,000 was from a non-related party and the remaining $20,000 was from a company controlled by a director. The loans bear interest at 3% per annum, unsecured, and due on demand.
d) On October 27, 2021, the Company received a loan of $50,000 from a non-related party which bears interest at 2% per annum, which is unsecured and due on demand. During the year ended January 31, 2023, the loan was converted into share subscriptions for its private placement.
e) On December 15, 2022, the Company received a loan of $90,000 from a non-related party which bears interest at 10% per annum, which is unsecured and due on demand.
f) During the three months ended April 30, 2023, the Company recorded interest expense of $5,790 (2022 - $7,009) incurred in connection with the loans payable.

(Expressed in Canadian dollars - unaudited)

6. RELATED PARTY TRANSACTIONS AND BALANCES

All transactions with related parties have occurred in the normal course of operations. Key management is comprised of directors and executive officers. The following compensation was paid to key management or companies controlled by key management during the three months ended April 30, 2023 and 2022:

		2023		**2022**
Management fees	$	27,500	$	50,750

As at April 30, 2023, the Company has included in accounts payable and accrued liabilities a total of $512,163 (January 31, 2023 - $502,713), which are payable to former directors, former officers, and companies controlled by a former officer.

As at April 30, 2023, the Company has included in accounts payable and accrued liabilities a total of $96,580 (January 31, 2023 - $88,155), which are payable to directors, officers, and companies controlled by directors.

As at April 30, 2023, the Company has included in loans payable an amount of $20,000 (January 31, 2023 - $20,000) due to a director of the Company. During the three months ended April 30, 2023, the Company accrued interest of $146 (2022 - $146) on this loan (Note 5).

During the year ended January 31, 2023, the Company write-off an account payable to a former officer for a total of $25,200.

7. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding: 28,993,151 (January 31, 2023 - 28,993,151).

<u>During the three months ended April 30, 2023:</u>

There were no shares issued during the three months ended April 30, 2023.

As at April 30, 2023, the Company had $1,500 (January 31, 2023 - $1,500) of share subscription received in advance. Also, to recognize shares issued without compensation from one former officer and one third party, the Company reversed $54,300 subscriptions not received accounted in common shares to reserves.

<u>During the year ended January 31, 2023:</u>

On October 7, 2022, the Company issued 4,444,444 common shares at $0.41 for a fair value of $1,822,222 pursuant to the acquisition of Lac Mistumis Lithium Property (Note 4).

On March 11, 2022, the Company issued 4,166,666 common shares for gross proceeds of $1,291,667 on the exercise of share purchase warrants at $0.31 per share. The fair value of $449,998 allocated to these warrants has been added to the share capital, totaling $1,741,665.

7. SHARE CAPITAL (continued)

b) Issued and outstanding: 28,993,151 (January 31, 2023 - 28,993,151). (continued)

During the year ended January 31, 2023: (continued)

On March 24, 2022, the Company closed and oversubscribed its non-brokered private placement, comprising 2,280,000 units at a price of $0.50 per unit for gross proceeds of $1,140,000. Each unit comprises of one common share of the Company and one common share purchase warrant of the Company. Each warrant is exercisable into a common share of the Company for a period of 12 months at an exercise price of $0.75 during the 12 months. The fair value of the warrants at the date of grant was estimated using the Black-Scholes Option Pricing at $368,830 and recorded in reserves in equity, resulting a $771,170 in share capital.

c) Flow-through shares issued in fiscal 2018

During fiscal 2018, the Company renounced $471,500 of Canadian exploration expenditures to subscribers of the 2018 flow-through financing. As a result of the flow-through financing the Company recognized a liability of $51,833 relating to the premiums subscribers had paid for the flow-through feature. After incurring expenditures, the Company recognized $44,215 deferred income tax recovery in reduction of the premium on flow-through shares.

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds received less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent on qualifying expenditures. At April 30, 2023, the amount of flow-through proceeds remaining to be spent on qualifying expenditures was $45,708 (January 31, 2023 - $45,708).

As a result of not incurring the qualified expenditures and not filing the forms with Canada Revenue Agency during the year, the Company recognized an expense of $3,000 (2022 - $Nil) for late filing penalties and interest. As at April 30, 2023, accounts payable and accrued liabilities include $54,213 (January 31, 2023 - $54,213) related to interest and penalties.

The Company agreed to indemnify the flow-through shareholders for certain costs they incurred as a result of not meeting its obligation to spend the flow-through share proceeds on qualifying Canadian exploration expenditures in compliance with the applicable tax rules and pursuant to the share subscription agreement entered into. During the year ended January 31, 2023, the Company revised estimation and decrease $130,765 (2022 - $Nil) accounted in comprehensive loss statement for the accrued indemnity of flow-through shareholders. As at April 30, 2023, accounts payable and accrued liabilities include $115,000 (January 31, 2023 - $115,000) related to this indemnity.

d) Flow-through shares issued in fiscal 2022

On June 8, 2021, the Company closed a non-brokered private placement comprising 178,570 flow-through (FT) units at a price of $0.56 per FT unit for gross proceeds of $99,999. Each FT unit will comprise one flow-through share of the Company and one common share purchase warrant of the Company. Each warrant will be exercisable into a common share of the Company for a period of 12 months at an exercise price of $0.69 for 12 months from issuance.

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds received less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent on qualifying expenditures. At April 30, 2023 and January 31, 2023, the amount of flow-through proceeds remaining to be spent on qualifying expenditures was $Nil.

(Expressed in Canadian dollars - unaudited)

7. SHARE CAPITAL (continued)

e) Stock options

The Company has no outstanding options as at April 30, 2023 and January 31, 2023.

f) Share purchase warrants

A summary of share purchase warrant activities are as follows:

	Number of warrants	Weighted average exercise price
Outstanding and exercisable at January 31, 2022	5,059,523	$ 0.38
Warrants issued	2,280,000	0.75
Warrants exercised	(4,166,666)	0.31
Warrants expired	(892,857)	0.69
Outstanding and exercisable at January 31, 2023	2,280,000	$ 0.75
Warrants expired	(2,280,000)	0.75
Outstanding and exercisable at April 30, 2023	**-**	**$ -**

The fair value of 2,280,000 warrants granted in connection with the non-brokered placement on March 24, 2022 was $368,830. The fair value of these warrants at the date of grant was estimated using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 2.07%, an expected life of warrants of one year, an expected volatility of 148.17%, stock price at granted date of $0.56, exercise price of $0.75, and no expected dividends.

The Company has no outstanding options as at April 30, 2023.

A summary of the share purchase warrants outstanding at January 31, 2023 is as follows:

	Warrants issued and exercisable	Exercise price	Expiry date
Share purchase warrants	2,280,000	$ 0.75	March 24, 2023

The weighted average life of warrants outstanding at April 30, 2023 is Nil (January 31, 2023 - 0.14) year.

8. MANAGEMENT OF CAPITAL

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to pursue the sourcing and development of various businesses. The Company does not have any externally imposed capital requirements to which it is subject.

As at April 30, 2023, the Company considers the aggregate of its equity accounts as capital therefore $1,401,428 compared to $1,456,888 deficiency as at January 31, 2023, a decrease of $55,460 during the period. 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 common shares or dispose of assets or adjust the amount of cash on hand.

9. FINANCIAL INSTRUMENTS

Fair values

The Company's financial instruments consist of cash, other receivable, accounts payable, loans payable and other payable. The following table summarizes the carrying values of the Company's financial instruments as at April 30, 2023 and January 31, 2023:

		April 30, 2023		**January 31, 2023**
Cash and other receivable (i)	$	3,037	$	33,337
Accounts payable, loans payable and other payable (i)	$	1,610,084	$	1,579,712

(i) Amortized cost

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market data.

The fair values of cash, other receivable, accounts payable, loans payable and other payable approximate their carrying values because of their current nature.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high-quality financial institution. The Company believes it has no significant credit risk.

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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. The Company's accounts payable, loans payable, and other payable have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits. The Company is exposed to liquidity risk.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have significant foreign exchange risk as the majority of its transactions are in Canadian dollars.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in the market interest rate. The Company is not exposed to significant interest rate risk.

10. SUPPLEMENTARY CASH FLOW INFORMATION

During the three months ended April 30, 2023 and 2022, the Company did not pay any interest expense or income taxes in cash.

11. CONTINGENCES

During the year ended January 31, 2023, the Company cancelled its directors and officers insurance policy liability which allowed reducing the various risks inherent to the Company's activities.

The Company raise financing by flow-through placements for which the Company renounced tax deductions to the investors. The Company engage eligible exploration expenses and management is required to fulfill its commitments within the stipulated deadline. However, there is no guarantee that the funds expended by the Company will qualify as Canadian exploration expenses, even if the Company is committed to take all necessary measures to that effect.

12. SUBSEQUENT EVENTS

On May 9, 2023, the Company closed the acquisition of Hook's Harbour Copper Property through acquiring 1000333018 Ontario Corp. ("1000333018"), which has a 100% interest in and to 26 mineral claims, together with the surface rights, mineral rights, personal property and permits associated there with located on the Hook's Harbour property. The Company issued 5,882,352 common shares and warrants to the shareholders of 1000333018 in exchange for 100% of the outstanding shares in 1000333018. The warrants are exercisable for 24 months at a price of $0.05 per warrant.

On June 9, 2023, the Company closed its previously announced non-brokered private placement comprising 1,470,588 units at a price of $0.34 per unit for gross proceeds of $500,000 with a 50% overallotment option. Each unit will comprise one common share and one common share purchase warrant of the Company. Each warrant will be exercisable into a common share of the Company for a period of 24 months at an exercise price of $0.42 for 24 months from issuance.