GO METALS CORP.

Condensed Interim Consolidated Financial Statements

For the six months ended January 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian dollars)

NOTICE TO READER

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Audit Committee.

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

GO METALS CORP.
Condensed interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	January 31, 2023 (unaudited) $	July 31, 2022 (audited) $
Assets		
Current Assets		
Cash	2,833,090	1,560,339
Taxes receivable	20,883	6,088
Prepaid expenses and deposits	79,033	300,849
Due from related parties (Note 8)	63,890	72,624
Total Current Assets	2,996,896	1,939,900
Non-current assets		
Mineral properties (Note 4)	271,356	255,269
Right-of-use asset (Note 5)	28,165	778
Total Assets	**3,296,417**	**2,195,947**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	48,848	57,933
Due to related parties (Note 8)	1,002	28,741
Loan payable (Notes 6 and 8)	-	38,141
Flow-through premium liability (Note 7)	520,808	293,208
Current portion of lease liabilities (Note 9)	8,433	852
Total Current Liabilities	579,091	418,875
Long-term liabilities		
Long-term portion of lease liabilities (Note 9)	20,580	-
Total Liabilities	**599,671**	**418,875**
Shareholders' Equity		
Share capital (Note 7)	8,440,291	6,532,597
Contributed surplus	2,115,750	1,477,853
Deficit	(7,859,295)	(6,233,378)
Total Shareholders' Equity	2,696,741	1,777,072
Total Liabilities and Shareholders' Equity	**3,296,417**	**2,195,947**

Approved by the Board of Directors on March 17, 2023:

"Scott Sheldon"
Scott Sheldon, Director & CEO

"Donald Sheldon"
Donald Sheldon, Director

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

GO METALS CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - expressed in Canadian dollars)

	Three months ended		Six months ended	
	January 31, 2023	January 31, 2022	January 31, 2023	January 31, 2022
	$	$	$	$
Exploration Expenses (Note 4)	**(42,918)**	**74,056**	**1,387,725**	**131,931**
Administrative Expenses				
Accretion (Notes 9 and 10)	1,188	3,682	2,072	6,687
Audit and accounting	18,668	12,500	31,168	28,525
Consulting fees	11,350	-	20,138	176
Depreciation (Note 5)	4,447	2,332	8,189	4,664
General and administrative	3,724	3,530	12,583	6,402
Interest (Notes 6 and 10)	-	3,278	223	5,931
Legal fees	8,200	-	8,200	-
Management fees (Note 8)	37,000	(18,000)	70,000	15,000
Marketing	886	1,327	8,886	5,296
Stock based compensation	357,345	-	357,345	-
Transfer agent, filing and stock exchange fees	5,800	5,238	13,816	11,494
Travel	1,607	-	3,754	139
Total administrative expenses	**450,215**	**13,887**	**536,374**	**84,314**
Net loss before other items	(407,297)	(87,943)	(1,924,099)	(216,245)
Other Income (Expenses)				
Interest income	185	-	185	-
Flow-through share premium recovery (Note 7)	18,000	20,571	297,997	38,459
Write off of mineral properties (Note 4)	-	(30,000)	-	(30,000)
Net loss and comprehensive loss for the period	**(389,112)**	**(97,372)**	**(1,625,917)**	**(207,786)**
Loss per share, basic and diluted	(0.02)	(0.02)	(0.07)	(0.04)
Weighted average shares outstanding	25,219,122	5,747,534	23,351,400	5,738,860

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

GO METALS CORP.

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
(Unaudited)
(Expressed in Canadian dollars)

	Share Capital							
	Common Shares	**Amount $**	**Preferred Shares**	**Amount $**	**Equity Component of Convertible Debt $**	**Contributed Surplus $**	**Deficit $**	**Total $**
Balance, at July 31, 2021	**5,663,534**	**4,982,280**	**706,292**	**-**	**-**	**965,533**	**(5,591,215)**	**356,598**
Shares issued for debt	84,000	21,000	-	-	-	-	-	21,000
Equity portion of convertible debentures	-	-	-	-	29,166	-	-	29,166
Net loss for the period	-	-	-	-	-	-	(207,786)	(207,786)
Balance, at January 31, 2022	**5,747,534**	**5,003,280**	**706,292**	**-**	**29,166**	**965,533**	**(5,799,001)**	**198,978**
Balance, at July 31, 2022	**20,547,537**	**6,532,597**	**706,292**	**-**	**-**	**1,477,853**	**(6,233,378)**	**1,777,072**
Private placement	1,745,300	2,188,606	-	-	-	-	-	2,188,606
Residual value of warrants issued	-	(476,205)	-	-	-	476,205	-	-
Share issuance costs – Cash	-	(183,013)	-	-	-	-	-	(183,013)
Share issuance costs – Warrants	-	(74,237)	-	-	-	74,237	-	-
Flow through premium liability	-	(525,597)	-	-	-	-	-	(525,597)
Warrants exercised	3,031,667	900,753	-	-	-	(234,253)	-	666,500
Options exercised	225,000	77,387	-	-	-	(35,637)	-	41,750
Stock based compensation	-	-	-	-	-	357,345	-	357,345
Net loss for the period	-	-	-	-	-	-	(1,625,917)	(1,625,917)
Balance, at January 31, 2023	**25,549,504**	**8,440,291**	**706,292**	**-**	**-**	**2,115,750**	**(7,859,295)**	**2,696,746**

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

GO METALS CORP.
Condensed interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars - Unaudited)

For the six months periods ended	January 31, 2023 $	January 31, 2022 $
Cash provided by (used in):		
Operating activities		
Net loss for the period	(1,625,917)	(207,786)
Adjustments for non-cash items		
Depreciation	8,189	4,664
Accretion	2,072	6,687
Interest	223	5,931
Flow-through share premium recovery	(297,997)	(38,459)
Write off of mineral properties	-	30,000
Stock-based compensation	357,345	-
Changes in non-cash operating working capital:		
GST and other receivables	(14,795)	16,848
Prepaid expenses and deposits	221,816	6,230
Accounts payable and accrued liabilities	(9,085)	60,926
Due to/from related parties	(19,005)	(59,450)
Cash used in operating activities	(1,377,154)	(174,409)
Investing activities		
Claims staked	(16,087)	(3,350)
Lease payments	(9,487)	(5,175)
Cash used in investing activities	(25,574)	(8,525)
Financing activities		
Proceeds from convertible debentures issued	-	150,000
Proceeds from private placements, net of share issuance cost	2,005,593	-
Proceeds from warrants exercised	666,500	-
Proceeds from options exercised	41,750	-
Loans repaid	(38,364)	-
Cash received from financing activities	2,675,479	150,000
Increase(decrease) in cash	1,272,751	(32,934)
Cash, beginning of period	1,560,339	348,084
Cash, end of period	2,833,090	315,150
Supplemental information		
Shares issued for debt	-	21,000
Fair value of warrants issued as finder fees	74,237	-
Residual value of warrants issued with units	476,205	-
Cash paid for income tax	-	-

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

1. Nature of Operations and Going Concern

Go Metals Corp. (“Go Metals” or the “Company”) was incorporated on April 27, 2012 in Canada with limited liability under the legislation of the Province of British Columbia. The Company’s common shares trade on the Canadian Securities Exchange (“CSE”) under the symbol “GOCO” and its registered office is located at Suite 810 – 789 West Pender Street, Vancouver, BC, V6C 1H2, Canada.

The Company is an exploration stage company and is in the process of exploring its mineral properties in Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts spent for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its property, and upon future profitable production or proceeds from disposition of the properties. The operations of the Company will require various licences and permits from various governmental authorities which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licences and permits that may be required to carry out exploration, development, and mining operations at its projects. Failure to comply with these conditions may render the licences liable to forfeiture.

These condensed interim consolidated financial statements have been prepared on the 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. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at January 31, 2023, the Company has not generated any revenues from operations and has an accumulated deficit of $7,859,295 (July 31, 2022 - $6,233,378). The Company expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company’s ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These condensed interim consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. Basis of Presentation

These condensed interim consolidated financial statements were authorized for issue on March 17, 2023 by the directors of the Company.

(a) Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended July 31, 2022.

(b) Basis of Measurement

These condensed interim consolidated 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 3. These condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its condensed interim consolidated financial statements. These condensed interim consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiary.

(d) Basis of Consolidation

These condensed interim consolidated financial statements include the financial information of the Company and its wholly owned subsidiary, Shiraz Petroleum Corporation, from the date of incorporation on November 17, 2014. Shiraz Petroleum Corporation is a dormant/ inactive company. Any intercompany balances are eliminated upon consolidation.

3. Significant Accounting Policies

In preparing these condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited condensed annual consolidated financial statements for the year ended July 31, 2022.

(Expressed in Canadian dollars)

4. Mineral Properties

The Company's mineral property interests are comprised of the following properties:

	Monster	Nickel Paladium	Ashuanipi	Total
Balance, at July 31, 2021	237,000	-	30,000	267,000
Additions	-	18,269	-	18,269
Impairment	-	-	(30,000)	(30,000)
Balance, at July 31, 2022	237,000	18,269	-	255,269
Additions	-	16,087	-	16,087
Balance, at January 31, 2023	$ 237,000	$ 34,356	$ -	271,356

During the six-month period ended January 31, 2022, the Company incurred exploration expenditures as follows:

	Monster	Nickel Palladium	Total
Assay	$ -	$ 60,642	$ 60,642
Drilling	-	386,171	386,171
Field work	600	1,610	2,210
Geological and Geophysical Survey	-	403,525	403,525
Helicopter and other transport	-	535,177	535,177
Total mineral property expenditures	$ 600	$ 1,387,125	$ 1,387,725

During the year ended July 31, 2022, the Company incurred exploration expenditures as follows:

	Monster	Nickel Palladium	Ashuanipi	Total
Exploration expenditures	$ 892	$ 35,316	$ 4,949	$ 41,157
Geological	3,603	133,142	46,193	182,938
Travel and transportation	226	3,050	-	3,276
Recovery of expenses	-	(9,000)	-	(9,000)
Total mineral property expenditures	$ 4,721	$ 162,508	$ 51,142	$ 218,371

Monster Property, Yukon Territory, Canada

During the year ended July 31, 2018, the Company acquired a 100% interest in a cobalt property located in the Yukon (the "Monster Property"). For consideration, the Company is required to make a cash payment of $45,000 (paid) and issue 106,667 common shares fair valued at $192,000 (issued).

Nickel Palladium Platinum Property, Quebec, Canada

In February 2019, the Company acquired a 40 claim 2000 Ha nickel-copper-platinum group elements project, called the HSP property, located north of Havre-Saint-Pierre in Quebec, Canada.

During September, 2022 the Company staked two new properties surrounding the property. The 71 square kilometre Ninety-Eight Property, and the 171 square kilometre Clyde Property, brings the total land position in the region to 396 square kilometres.

(Expressed in Canadian dollars)

4. Mineral Properties (continued)

Ashuanipi Gold Property, Quebec, Canada

On May 5, 2021, the Company entered into an agreement with Flow Metals Corp. whereby the Company can earn in on the Ashuanipi property for up to 80% through the payment of cash and the funding of exploration as follows:
By paying $120,000 cash (paid $30,000).
By spending up to $1,200,000 on mineral exploration. (Spent $200,000 to earn 40%)

The transaction was a related party transaction as the Company and Flow Metals Corp. share common management and directors (Note 8). Additionally, Windfall has retained a 2% net smelter return on the Ashuanipi property.

During the year ended July 31, 2022, the Company decided not to continue pursuing the Ashuanipi property and determined that indicators of impairment existed. As a result, the Company terminated the option agreement with Flow Metals Corp. A test of the recoverable amount of the Ashuanipi property resulted in an impairment loss of $30,000 during the year ended July 31, 2022. Management determined the value in use of the property in accordance with level 3 in the fair value hierarchy was $Nil as the option agreement was terminated.

5. Right-of-use asset

On September 1, 2022, the Company entered into a sublease agreement for office space. Upon entering into the lease, the Company measured the present value of the lease payments using an incremental borrowing rate of 15% per annum and recognized $35,577 as a right-of-use asset. The sublease is reflected on the condensed interim consolidated statement of financial position as a right-of-use asset, with an associated lease liability (Note 9).

During the year ended July 31, 2021, the Company entered into a sublease agreement for office space. Upon entering into the lease, the Company measured the present value of the lease payments using an incremental borrowing rate of 15% per annum and recognized $12,438 as a right-of-use asset. The sublease is reflected on the condensed interim consolidated statement of financial position as a right-of-use asset, with an associated lease liability (Note 9). This lease ended on August 31, 2022.

The following is a continuation table for the right-of-use asset:

	New lease	Old lease	Total
Balance July 31, 2021	-	10,106	10,106
Depreciation	-	(9,328)	(9,328)
Balance July 31, 2022	-	778	778
Additions	35,577	-	35,577
Depreciation	(7,412)	(778)	(8,190)
Balance January 31, 2023	$ 28,165	$ -	28,165

6. Loan Payable

As at January 31, 2023, the Company has a loan outstanding with a principal value of $Nil (July 31, 2022 - $20,100) bearing interest at 5% and various current and arrear interest components totalling $18,264 (July 31, 2022 - $18,041) due to a related party (Note 8). Interest incurred on the loan payable during the six-months ended January 31, 2023 was $223 (January 31, 2022 - $506). During the period ended January 31, 2023, this loan and interest thereon was fully redeemed.

7. Share Capital

(a) Authorized

Unlimited number of common shares without par value.
Unlimited number of Class A Preferred Shares with a par value of $0.015.

(b) Outstanding

On January 31, 2023, the Company had 25,549,504 (July 31, 2022 – 20,547,537) common shares outstanding at $8,440,291 (July 31 2022 - $6,532,597) and 706,292 (July 31, 2022 - 706,292) class A preferred shares outstanding at $Nil (July 31, 2022 - $Nil).

(c) Share transactions

i) For the six months period ended January 31, 2023.

During the six months period ended January 31, 2023, 3,031,667 warrants were exercised at prices ranging from $0.125 to $0.30 for gross proceeds of $666,500. The Company transferred $234,253 from reserve to share capital. A transaction cost of $25,287 was incurred.

During the six months period ended January 31, 2023, 225,000 options were exercised at prices ranging from $0.15 to $0.31 for gross proceeds of $41,750. The Company transferred $35,637 from reserve to share capital.

On November 17, 2022, the Company closed a non-brokered private placement of 1,745,300 flow-through units at a price of $1.254 per flow through unit for gross proceeds of $2,188,606. Each flow through unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder thereof to acquire one common share of the Company at a price of $1.00 for a period of 24 months from issuance. The fair value of the 872,650 warrants issued were estimated to be $476,205 using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.68; exercise price - $1.00; expected life – 2 years; volatility – 194%; dividend yield – $0; and risk-free rate – 3.87 to 3.88%. The fair value of $476,205 was also transferred to share capital, and included in the above. The flow-through premium liability associated with this issuance using the residual method was $525,597.

In connection with the private placement, the Company paid cash finders' fees of $157,726 and issued 131,696 non-transferable finder's warrants which will entitle the holder thereof to purchase one common share of the Company at a price ranging from $0.60 to $0.65 per finder's warrant, for a period of 24 months from issuance. The fair were estimated to be $74,237 using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $65 to $0.68; exercise price - $0.60 to $0.65; expected life – 2 years; volatility – 194%; dividend yield – $0; and risk-free rate – 3.87 to 3.88%.

7. Share Capital (Continued)

(c) Share transactions (continued)

Included in the warrant exercises mentioned above, 750,000 finder's warrants were exercised at a price of $0.125 for proceeds of $93,750. The 750,000 finder's warrants entitled the holders upon exercise, to acquire an additional unit consisting of one common share and one-half share purchase warrant. The fair value of the warrants issued were estimated to be $212,530 which were transferred to share capital upon exercise, and included above. The fair value of the 750,000 finder's warrants was measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.30; exercise price - $0.125; expected life – 2 years; volatility – 240%; dividend yield – $0; and risk-free rate – 1.53%.

Also included in the warrant exercises mentioned above. The 375,000 share purchase warrants acquired above were xercised at a price of $0.25 raising gross proceeds of $93,750.

ii) For the year ended July 31, 2022

On May 9, 2022, the Company closed a non-brokered private placement and issued a total of 2,000,003 Quebec flow-through shares at a price of $0.30 per FT Share for gross proceeds of $600,000. The Company paid finder's fees of $42,000 cash and 140,000 finder warrants have been issued. Each warrant will entitle the holder thereof to acquire one common share at a price of $0.30 for a period of 24 months from closing. The flow-through liability associated with these issuances using the residual method was $294,125. The Company recognized flow-through premium liability of $14,126 on incurred expenditures as flow-through share premium recovery during the year ended July 31, 2022. All $600,000 proceeds were incurred as expenditures during the six months ended January 31, 2023 and the flow through liability were reduced accordingly.

The $15,875 fair value of the 140,000 finder's warrants was measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price – $0.145; exercise price – $0.30; expected life – 2 years; volatility – 201%; dividend yield – $0; and risk-free rate – 0.28%.

On March 10, 2022, the Company closed a non-brokered private placement of 12,700,000 units issued at a price of $0.125 per unit for gross proceeds of $1,587,500 and 100,000 flow-through shares issued at a price of $0.16 per flow-through share for gross proceeds of $16,000.

Each unit is comprised of one common share and one-half of one transferable share purchase warrant, with two such half warrants being a warrant. Each warrant entitles the holder thereof to purchase one additional share of the Company at a price of $0.25 for a period of 24 months from the date of issuance. The flow-through liability associated with these issuances using the residual method was $Nil. All $16,000 proceeds were incurred as expenditures during the year ended July 31, 2022.

(Expressed in Canadian dollars)

7. Share Capital (Continued)

(a) Share transactions (continued)

ii) For the year ended July 31, 2022 (continued)

In connection with the private placement, the Company paid finder's fees of $92,533 cash, issued 62,000 finder's warrants with a fair value of $17,122 which will entitle the holder to acquire one additional share of the Company at a price of $0.25 for a period of twenty-four months and 750,000 finder's warrants with a fair value of $212,529, which will entitle the holder to acquire one additional unit of the Company at a price of $0.125 for a period of twenty-four months have been paid to qualified parties.

The fair value of the 62,000 finder's warrants was measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price – $0.30; exercise price – $0.25; expected life – 2 years; volatility – 241%; dividend yield – $0; and risk-free rate – 1.53%.

The fair value of the 750,000 finder's warrants was measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.30; exercise price - $0.125; expected life – 2 years; volatility – 240%; dividend yield – $0; and risk-free rate – 1.53%.

On August 19, 2021, the Company entered into a debt settlement agreement to settle outstanding fees owed to a consultant of the Company for fees totaling $21,000. Pursuant to the settlement agreement, the Company has issued an aggregate of 84,000 shares to the consultant at a price of $0.25 per share.

(b) Warrants

	Six months period ended January 31, 2023			Year ended July 31, 2022		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Opening	8,416,177	$	0.35	1,914,177	$	1.55
Issued	1,379,346		0.76	7,302,000		0.24
Exercised	(3,031,667)		0.22	-		-
Expired	-		-	(800,000)		2.25
Ending	6,763,856	$	0.49	8,416,177	$	0.35

Weighted average remaining life of outstanding warrants as at January 31, 2023 is 1.12 (July 31, 2022 - 1.54) years.

(Expressed in Canadian dollars)

7. Share Capital (Continued)

As at January 31, 2023, the Company had the following warrants outstanding:

Number of warrants	Exercise price	Expiry date
1,114,177	$1.050	August 13, 2023
4,552,000	$0.250	March 10, 2024
93,333	$0.300	May 9, 2024
872,650	$1.000	November 17, 2024
81,696	$0.600	November 17, 2024
50,000	$0.650	November 22, 2024
6,763,856	$0.405	

(c) Stock options

The Company grants stock options to directors, officers, employees and consultants and affiliate or any person deemed suitable by the board of directors, pursuant to its Incentive Share Option Plan (the “Plan”). The number of options that may be issued under the Plan is limited to no more than 10% of the Company’s issued and outstanding shares on the grant date. Options issued under the Plan vest immediately and must have a term equal to or less than three years and exercise price equal to or greater than market price on grant date.

i) Issued during the six months period ended January 31, 2023.

On November 17, 2022, the Company granted incentive stock options to consultants to purchase an aggregate of 150,000 common shares at an exercise price of $0.68 per common share for up to two years. The options vested upon grant. The grant date fair value of the options was measured at $85,326. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price – $0.68; exercise price – $0.68; expected life – 2 years; volatility – 194%; dividend yield – $0; and risk-free rate – 3.88%.

On November 22, 2022, the Company granted incentive stock options to directors and consultants to purchase an aggregate of 500,000 common shares at an exercise price of $0.65 per common share for up to two years. The options vested upon grant. The grant date fair value of the options was measured at $272,018. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price – $0.65; exercise price – $0.65; expected life – 2 years; volatility – 194%; dividend yield – $0; and risk-free rate – 3.87%.

ii) Issued for the year ended July 31, 2022

On June 8, 2022, the Company granted incentive stock options to directors, officers and consultants to purchase an aggregate of 925,000 common shares at an exercise price of $0.15 per common share for up to three years. The options vested upon grant. The grant date fair value of the options was measured at $108,114. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price – $0.125; exercise price – $0.150; expected life – 3 years; volatility – 217%; dividend yield – $0; and risk-free rate – 0.54%.

(Expressed in Canadian dollars)

7. Share Capital (Continued)

(c) Stock options (continued)

On March 21, 2022, the Company granted incentive stock options to a consultant to purchase an aggregate of 75,000 common shares at an exercise price of $0.26 per common share for up to five years. The options vested upon grant.

The grant date fair value of the options was measured at $17,157. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price – $0.235; exercise price – $0.26; expected life – 5 years; volatility – 198%; dividend yield – $0; and risk-free rate – 2.16%.

On March 16, 2022, the Company granted incentive stock options to directors, officers and consultants to purchase an aggregate of 500,000 common shares at an exercise price of $0.26 per common share for up to five years. The options vested upon grant. The grant date fair value of the options was measured at $141,523. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price – $0.29; exercise price – $0.26; expected life – 5 years; volatility – 198%; dividend yield – $0; and risk-free rate – 2.00%.

The Company's stock options outstanding and exercisable are as follows:

	Six months period ended January 31, 2023		Year ended July 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	2,000,000	$ 0.22	520,000	$ 0.41
Granted	650,000	0.66	1,500,000	0.19
Exercised	225,000	0.19	-	-
Expired/Cancelled	(875,000)	0.28	(20,000)	3.00
Ending	1,550,000	$ 0.38	2,000,000	$ 0.22
Exercisable	1,500,000	$ 0.38	2,000,000	$ 0.22

Weighted average remaining life of outstanding options as at January 31, 2023 is 2.25 (July 31, 2022 – 3.65) years.

As at January 31, 2023, the Company had the following stock options outstanding:

Number of stock options	Exercise price	Expiry date
750,000	$0.15	June 8, 2025
100,000	$0.31	July 20, 2026
50,000	$0.26	March 16, 2027
150,000	$0.68	November 17, 2024
500,000	$0.65	November 22, 2024
1,550,000		

(Expressed in Canadian dollars)

7. Share Capital (Continued)

(c) Stock options (continued)

The stock options granted during the year ended July 31, 2022 were valued at $266,794 using the Black-Scholes Option Pricing Model, using the following assumptions:

Grant date	Expected life	Volatility	Dividend yield	Risk-free interest rate	Forfeiture rate
March 16, 2022	5 years	198%	0%	2.00%	0%
March 21, 2022	5 years	198%	0%	2.16%	0%
June 8, 2022	3 years	217%	0%	0.54%	0%

The expected volatility assumption is based on the volatility of the historic values of the Company. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its share capital.

8. Related Party Transactions

The remuneration of the Company's directors and other members of key management who have the authority and responsibility for planning, directing and controlling the activities of the Company, consist of the following amounts:

		January 31, 2023		January 31, 2022
Legal fees	$	**2,358**	$	-
Management fees*		**55,000**		-
Interest paid		**223**		506
Stock-based compensation		**217,614**		-
	$	**275,195**	$	506

*During the six-month period ended January 31, 2022, the Company recovered $51,000 management fees from a company controlled by common management. These are presented net against management fees in the consolidated statements of loss and comprehensive loss.

As at January 31, 2023, the Company owed $1,002 (July 31, 2022 - $28,742) to the President, director and his company. This amount is non-interest bearing, unsecured and repayable on demand.

As at January 31, 2023, the Company had $Nil (July 31, 2022 - $38,141) of loans payable (Note 6) to directors and their companies. The loan bears 5% interest and is composed of principal of $20,100 (July 31, 2022 - $20,100) and various current and arrear interest components totaling $18,264 (July 31, 2022 - $18,041). Interest expense during the six months period ended January 31, 2023 was $223 (January 31, 2022 - $506). During the period ended January 31, 2023, this loan has been fully repaid.

(Expressed in Canadian dollars)

8. Related Party Transactions (continued)

As at January 31, 2023, the Company had a receivable of $63,890 (July 31, 2022 - $72,624) from Flow Metals Corp., a company with certain management and directors in common. This amount is non-interest bearing, unsecured and repayable on demand.

9. Lease Liability

The Company recognized right-of-use asset of $35,577 (Note 5) and lease liability of $35,577. The Company recorded a right-of-use asset for subleased office space ("New Lease") in the condensed interim statement of financial position relating to the sublease agreement effective September 1, 2022. At the commencement date of the lease, the lease liability was measured as the present value of the future lease payments that were not paid at that date. These lease payments are discounted using a discount rate of 15%, which is the Company's estimated incremental borrowing rate.

The Company recognized right-of-use asset of $12,438 (Note 5) and lease liability of $12,438. The Company recorded a right-of-use asset for subleased office space ("Old Lease") in the condensed interim statement of financial position relating to the sublease agreement effective May 1, 2021. At the commencement date of the lease, the lease liability was measured as the present value of the future lease payments that were not paid at that date. These lease payments are discounted using a discount rate of 15%, which is the Company's estimated incremental borrowing rate. This lease came to an end on August 31, 2022.

The following is a continuity schedule of lease liabilities for the six months period ended January 31, 2023 and for the year ended July 31, 2022:

	New lease $	Old lease $	Total $
Balance, July 31, 2021	-	10,290	10,290
Lease payments	-	(10,350)	(10,350)
Accretion on lease liability	-	912	912
Balance, July 31, 2022	-	852	852
Lease additions	35,577	-	35,577
Lease payments	(8,625)	(863)	(9,488)
Accretion on lease liability	2,061	11	2,072
Balance, January 31, 2023	29,013	-	29,013
Current portion	8,433	-	8,433
Long term portion	20,580	-	20,580

(Expressed in Canadian dollars)

10. Convertible Debentures

On August 19, 2021, the Company completed a non-brokered private placement of unsecured convertible promissory notes with an aggregate value of $150,000. The promissory notes are unsecured and bear interest at a rate of 8% per annum with a maturity date of August 19, 2023. Each holder shall have the right at its option to convert all or a portion of the principal amount of the promissory notes and the accrued and unpaid interest on the principal amount outstanding under the promissory notes into units at a conversion price of $0.25 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant will entitle the holder thereof to acquire one additional share at a price of $0.30 for a period of two years from the date the warrant is issued. On March 9, 2022, the Company repaid the principal of $150,000 and interest of $6,608.

The following table reconciles the recorded value of the liability and the equity components of the convertible debentures:

	Convertible debenture $	Equity component of convertible debenture $	Total $
Balance, July 31, 2021	-	-	-
Additions	120,834	29,166	150,000
Interest expense	6,608	-	6,608
Accretion on convertible debenture	6,055	-	6,055
Accretion	(6,055)	-	(6,055)
Cash payment	(127,442)	(29,166)	(156,608)
Balance July 31, 2022	-	-	-
Balance January 31, 2023	-	-	-

11. Financial Instruments

(a) Classification of Financial Instruments

The Company has classified its financial instruments as follows:

	January 31, 2023 $	July 31, 2022 $
Financial assets, measured at amortized cost:		
Cash	2,833,090	1,560,339
Due from related parties	63,890	72,624
	2,896,980	1,632,963
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	48,848	57,933
Due to related parties	1,002	28,741
Lease liabilities	29,013	852
Loan payable	-	38,141
	78,863	125,667

11. Financial Instruments (Continued)

(b) Fair Values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

As at January 31, 2023, the fair values of cash, accounts payable and accrued liabilities, due to/from related parties, loan payable and lease liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

(c) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company's liabilities are predominantly due within 90 days of January 31, 2023 and lease liabilities of $8,433 (July 31, 2022 - $852) due within 12 months, and $20,580 (July 31, 2022 - $Nil) beyond 12 months.

(d) Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company is not exposed to any significant credit risk.

With respect to its due from related parties, the Company assesses the credit rating of all debtors and maintains provisions for potential credit losses, and any such losses to date have been within management's expectations. The Company's credit risk with respect to amounts due from related parties and maximum exposure thereto as at January 31, 2023 is $63,890 (July 31, 2022 - $72,624).

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

11. Financial Instruments (Continued)

(f) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates other than loans payable which bears 5% interest (Note 6). The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

(g) Foreign currency exchange rate risk

The Company currently has no significant operations denominated in foreign currencies. Management believes there is no significant foreign currency exchange rate risk.

12. Capital Management

The Company defines its capital as cash and equity comprised of issued share capital and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes in the Company's approach to capital management during the six months period ended January 31, 2023.

The Company is not subject to externally imposed capital requirements as at January 31, 2023 except when the Company issues flow-through shares for which the amount should be used for exploration work.

On March 10, 2022, the Company completed a flow-through private placement totaling $16,000. As at July 31, 2022, the Company incurred all $16,000 in eligible exploration and evaluation expenditures and consequently the Company has the obligation to incur a further remaining balance of $Nil in exploration and evaluation expenditures.

On May 9, 2022, the Company completed flow-through private placements totaling $600,000. As at January 31, 2023, the Company incurred all $600,000 (July 31, 2022 - $28,816) in eligible exploration and evaluation expenditures and consequently the Company has the obligation to incur a remaining balance of $Nil in exploration and evaluation expenditures.

12. Capital Management (continued)

On November 17, 2022, the Company completed flow-through private placements totaling $2,188,606. As at January 31, 2023, the Company incurred all $19,943 in eligible exploration and evaluation expenditures and consequently the Company has the obligation to incur a remaining balance of $2,168,663 in exploration and evaluation expenditures.

13. Segmented Information

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts. All long-term assets of the Company are located in Canada.

14. Subsequent events

On February 7, 2023, the Company granted incentive stock options to directors and consultants to purchase an aggregate of 900,000 common shares at an exercise price of $0.10 per common share for up to two years.

On March 8, 2023, 650,000 incentive stock options were cancelled. The incentive stock options were initially issued on November 17, 2022 and November 22, 2022 to directors and consultants to purchase an aggregate of 650,000 common shares at an exercise price of $0.65 to $0.68 per common share for up to two years.