GO METALS CORP.

Consolidated Financial Statements

For the years ended July 31, 2023 and 2022

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GO METALS CORP.

Opinion
We have audited the consolidated financial statements of Go Metals Corp. and its subsidiaries (the "Company"), which comprise:
- the consolidated statements of financial position as at July 31, 2023 and 2022;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has an accumulated deficit of $9,056,087 as at July 31, 2023. As stated in Note 1, this event or condition, along with other matters as set forth in Note 1, indicates that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended July 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditors’ report.

Other Information
Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia

November 28, 2023

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

As at	July 31, 2023 $	July 31, 2022 $
Assets		
Current Assets		
Cash (Note 13)	2,003,988	1,560,339
Taxes receivable	98,231	6,088
Prepaid expenses and deposits	270,637	300,849
Due from related parties (Note 8)	-	72,624
Total Current Assets	2,372,856	1,939,900
Non-current assets		
Mineral properties (Note 4)	271,356	255,269
Right-of-use asset (Note 5)	17,262	778
Total Assets	**2,661,474**	**2,195,947**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	932,164	57,933
Due to related parties (Note 8)	26,971	28,741
Loan payable (Notes 6 and 8)	-	38,141
Flow-through premium liability (Note 7)	103,060	293,208
Current portion of lease liabilities (Note 9)	16,415	852
Total Current Liabilities	1,078,610	418,875
Long-term liabilities		
Long-term portion of lease liabilities (Note 9)	1,481	-
Total Liabilities	**1,080,091**	**418,875**
Shareholders' Equity		
Share capital (Note 7)	8,440,291	6,532,597
Contributed surplus	2,197,179	1,477,853
Deficit	(9,056,087)	(6,233,378)
Total Shareholders' Equity	1,581,383	1,777,072
Total Liabilities and Shareholders' Equity	**2,661,474**	**2,195,947**

Approved by the Board of Directors on November 28, 2023:

"Scott Sheldon"
Scott Sheldon, Director & CEO

"Donald Sheldon"
Donald Sheldon, Director

GO METALS CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

For the years ended	July 31, 2023 $	July 31, 2022 $
Exploration Expenses (Note 4)	**2,720,362**	**196,935**
Administrative Expenses		
Accretion (Notes 9 and 10)	3,739	912
Audit and accounting	63,805	66,169
Consulting fees	23,659	9,437
Depreciation (Note 5)	16,157	9,328
General and administrative	28,849	20,395
Interest (Notes 6 and 10)	223	7,613
Legal fees	8,200	3,210
Management fees (Note 8)	160,053	81,000
Marketing	11,886	5,296
Stock based compensation	438,774	266,794
Transfer agent, filing and stock exchange fees	19,566	18,798
Travel	16,360	7,508
Total administrative expenses	**791,272**	**496,460**
Net loss before other items	(3,511,634)	(693,395)
Other Income (Expenses)		
Interest income	37,070	-
Flow-through share premium recovery (Note 7)	715,745	64,120
Write-off of mineral properties (Note 4)	-	(30,000)
Write-off of accounts payable	-	17,112
Write-off of due from related party (Note 8)	(63,890)	-
	688,925	51,232
Net loss and comprehensive loss for the year	**(2,822,709)**	**(642,163)**
Loss per share, basic and diluted	(0.12)	(0.06)
Weighted average shares outstanding	24,080,941	11,212,751

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

GO METALS CORP.
Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share Capital						
	Common Shares	Amount $	Preferred Shares	Amount $	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
Private Placements	14,800,003	2,203,501	-	-	-	-	2,203,501
Flow-through premium	-	(294,125)	-	-	-	-	(294,125)
Share issuance costs - cash	-	(134,533)	-	-	-	-	(134,533)
Share issuance costs - warrants	-	(245,526)	-	-	245,526	-	-
Stock-based compensation	-	-	-	-	266,794	-	266,794
Net loss for the year	-	-	-	-	-	(642,163)	(642,163)
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	-	-	-	-	438,774	-	438,774
Net loss for the year	-	-	-	-	-	(2,822,709)	(2,822,709)
Balance, at July 31, 2023	**25,549,504**	**8,440,291**	**706,292**	**-**	**2,197,179**	**(9,056,087)**	**1,581,383**

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

GO METALS CORP.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

For the years ended	July 31, 2023 $	July 31, 2022 $
Cash provided by (used in):		
Operating activities		
Net loss for the period	(2,822,709)	(642,163)
Adjustments for non-cash items		
Depreciation	16,157	9,328
Accretion	3,739	912
Interest	223	7,613
Flow-through share premium recovery	(715,745)	(64,120)
Write-off of accounts payable		(38,548)
Write-off of due from related party	63,890	-
Write off of mineral properties	-	30,000
Stock-based compensation	438,774	266,794
Changes in non-cash operating working capital:		
Taxes receivable	(92,143)	13,601
Prepaid expenses and deposits	30,212	(294,596)
Accounts payable and accrued liabilities	874,082	31,302
Due to/from related parties	6,964	(91,610)
Cash used in operating activities	(2,196,557)	(771,487)
Investing activities		
Claims staked	(16,087)	(18,269)
Lease payments	(18,486)	(10,350)
Lease deposit	(700)	-
Cash used in investing activities	(35,273)	(28,619)
Financing activities		
Proceeds from convertible debentures issued	-	100,000
Payment - convertible debentures	-	(156,608)
Proceeds from private placements, net of share issuance cost	2,030,880	2,068,969
Proceeds from warrants exercised, net of share issuance cost	641,213	-
Proceeds from options exercised	41,750	-
Loans repaid	(38,364)	-
Cash received from financing activities	2,675,479	2,012,361
Increase in cash	443,649	1,212,255
Cash, beginning of year	1,560,339	348,084
Cash, end of year	2,003,988	1,560,339
Supplemental information		
Cash paid for interest	223	6,608
Conversion of accounts payable into convertible debentures	-	50,000
Shares issued for debt	-	21,000
Warrants issued for finders' fees	-	245,526
Residual value of warrants issued with units	476,205	-
Cash paid for income tax	-	-

The accompanying notes are an integral part of these 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 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 July 31, 2023, the Company has not generated any revenues from operations and has an accumulated deficit of $9,056,087 (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 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 consolidated financial statements were authorized for issue on November 28, 2023 by the directors of the Company.

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of Measurement

These 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 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 consolidated financial statements. These 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 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

(a) Mineral Properties

Recognition and Measurement

The Company charges to operations all exploration and evaluation expenses incurred prior to the determination of economically recoverable reserves. These costs would also include periodic fees such as license and maintenance fees and advance royalty payments.

The Company capitalizes direct mineral property acquisition costs and those expenditures incurred following the determination that the property has economically recoverable reserves. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement.

3. Significant Accounting Policies (continued)

(a) Mineral Properties (continued)

Recognition and Measurement (continued)

These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The Company may occasionally enter into option-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would otherwise be undertaken by the Company. Options are only recognized when received.

The Company does not record any expenditures made by the optionee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted in profit or loss.

(b) Impairment of Long-Lived Assets

The Company evaluates the recoverability of its long-lived assets at each reporting period. An impairment loss is recognized when estimated future cash flows resulting from the use of an asset and its eventual disposition is less than its carrying amount.

A mining enterprise is required to consider the conditions for impairment write-down. The conditions include significant unfavourable economic, legal, regulatory, environmental, political, and other factors. In addition, management’s development activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of mineral properties. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired, the capitalized costs are written down to the estimated recoverable amount valued at higher of value in use (present value of the estimated future cash flows) and proceeds from disposition, net of selling costs.

(c) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

3. Significant Accounting Policies (continued)

(d) Income Taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or in equity, respectively. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

(e) Financial Instruments

Classification

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

- Those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss); and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income ("OCI"). For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

3. Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial liabilities are measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises of liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Amortized cost – This category included accounts payable and accrued liabilities, due to related parties, loans payable, and lease liabilities, which are recognized at amortized cost using the effective interest method.

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 or liabilities assumed, is recognized in profit or loss.

3. Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(f) Loss Per Share

Basic earnings or loss per share is computed by dividing the earnings or loss for the period by the weighted average number of common shares outstanding during the relevant period. The treasury stock method is used for the calculation of diluted earnings or loss per share. Stock options, share purchase warrants, and other equity instruments are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options, warrants and other equity instruments. When a loss has been incurred, basic and diluted loss per share is the same because the exercise of options and warrants would be anti-dilutive.

(g) Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value of assets or services received. If this value cannot be determined, the transaction is measured at the fair market value of the shares on the date the shares are issued. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity. Proceeds from unit placements are allocated between shares and warrants issued according to the residual method with proceeds being first allocated to share capital based on their market value at the date the agreement to issue shares was concluded.

(h) Stock-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees the transaction is measured at fair value of the goods or services received. If value of goods or services received cannot be accurately determined, the transaction is measured at the fair value of the stock-based compensation.

3. Significant Accounting Policies (continued)

(i) Flow-through placements

The liability component represents the premium paid for the tax benefit to the investors. Proceeds from the issuance of shares by flow-through private placements are allocated between shares issued and a liability account using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to the liability. Upon expenses being incurred, the liability component is derecognized in the statement of loss and a deferred income tax liability is recognized for the taxable temporary difference created at the Company's applicable tax rate which is expected to apply in the year the deferred income tax liability will be settled. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the statement of loss.

The Company may also be subject to Part XII.6 tax on flow-through proceeds renounced under the Look-Back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

(j) Critical Accounting Judgments and Estimates

The preparation of the consolidated financial statements in conformity 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 the reported revenues and expenses during the period. Although management uses historical experience and its best knowledge of the amount, events, or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Critical Accounting Estimates

The following are the key estimates that may have a significant risk of resulting in a material adjustment in future periods.

<u>Fair value estimates of equity instruments</u>
The fair value of each stock option granted is estimated at the grant date using the Black-Scholes option pricing model. The estimated life of the stock options and conversion at grant date is based on the expected life of the options and assumptions about the expected exercise pattern. Expected volatility of stock options is estimated based on the volatility of companies comparable in size and operations to the Company. Forfeiture rates and dividend yields are estimated based on historical data.

3. Significant Accounting Policies (continued)

(j) Critical Accounting Judgments and Estimates (continued)

Critical Accounting Estimates (continued)

Impairment of long-lived assets
The carrying value and the recoverability of long-lived assets, including mineral properties, are evaluated at each reporting date. Management assesses for indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

If, after mineral property expenditures are capitalized, information becomes available suggesting that the carrying amount of the mineral properties may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit ("CGU"), or group of CGUs, level in the year the new information becomes available. If indicators of impairment exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment.

Right-of-use assets and lease liabilities
The Company uses estimation in determining the incremental borrowing rate used to measure the lease liabilities, specific to the asset, underlying currency, and geographic location. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations is estimated using a discount rate similar to the Company's specific borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in a similar environment.

Leases
Leases require lessees to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company generally uses the incremental borrowing rate when initially recording real estate leases as the implicit rates are not readily available as information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Leases requires lessees to estimate the lease term. In determining the period which the Company has the right to use an underlying asset, management considers the non-cancellable period along with all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Critical Judgments Used in Applying Accounting Policies

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Determination of Going Concern Assumption
The preparation of these consolidated financial statements requires management to make judgments regarding the applicability of going concern assumption to the Company as discussed in Note 1.

3. Significant Accounting Policies (continued)

(j) Critical Accounting Judgments and Estimates (continued)

Critical Judgments Used in Applying Accounting Policies (continued)

Mining exploration tax credits and flow-through expenditures
The Company is eligible for refundable tax credits on qualified resource expenditures incurred in the province Quebec (the "Provinces"). Uncertainties exist with respect to the interpretation of tax regulations which could be disallowed by the province in the calculation of credits. The calculation of the Company's refundable tax credits involves significant estimates and judgment on items whose tax treatment cannot be verified until a notice of assessment and subsequent payments have been received from the provinces. Differences between management's estimates and the final assessment could result in adjustments to the mining exploration tax credit and the future income tax expense. The Company is also required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures.

Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

Impairment of mineral properties
Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral properties.

(k) Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease is recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. Lease liabilities represent the net present value of fixed lease payments (including in-substance fixed payments); variable lease payments based on an index, rate, or subject to a fair market value renewal condition; amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if it is probable that the lessee will exercise that option.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. The period over which the lease payments are discounted is the expected lease term, including renewal and termination options that the Company is reasonably certain to exercise.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in general and administration and sales and marketing expense in the consolidated statement of comprehensive loss. Short term leases are defined as leases with a lease term of 12 months or less.

Right-of-use assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs.

(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

(k) Leases (continued)

The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. The depreciation is recognized from the commencement date of the lease.

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 July 31, 2023	$ 237,000	$ 34,356	$ -	271,356

During the year ended July 31, 2023, the Company incurred exploration expenditures as follows:

	Monster	Nickel Palladium	Total
Assay	$ -	$ 60,642	$ 60,642
Drilling	-	444,955	444,955
Field work	600	207,805	208,405
Geological and geophysical survey	-	1,289,724	1,289,724
Helicopter and other transport	-	714,902	714,902
Maintenance		1,734	1,734
Total mineral property expenditures	$ 600	$ 2,719,762	$ 2,720,362

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

4. Mineral Properties (continued)

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" or "HSP property", located north of Havre-Saint-Pierre in Quebec, Canada.

During September 2022 the Company staked two new properties surrounding the property.

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); and
- 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

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 consolidated statement of financial position as a right-of-use asset, with an associated lease liability (Note 9).

On January 31, 2023, the Company entered into a sublease agreement for office space, replacing the September 1, 2022 agreement. 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 $25,229 as a right-of-use asset. The sublease is reflected on the consolidated statement of financial position as a right-of-use asset, with an associated lease liability (Note 9).

(Expressed in Canadian dollars)

5. Right-of-use asset (continued)

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 consolidated statement of financial position as a right-of-use asset, with an associated lease liability (Note 9). This lease ended on January 31, 2023.

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 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:

	February 2023 – lease	September 2022 – lease	July 31, 2021 – lease	Total
Balance July 31, 2021	-	-	10,106	10,106
Depreciation	-	-	(9,328)	(9,328)
Balance July 31, 2022	-	-	778	778
Additions	25,229	35,577	-	60,806
Depreciation	(7,967)	(7,412)	(778)	(16,157)
Lease terminated	-	(28,165)	-	(28,165)
Balance July 31, 2023	$ 17,262	$ -	$ -	17,262

6. Loan Payable

As at July 31, 2023, the Company has a loan outstanding with a principal value of $Nil (2022 - $20,100) bearing interest at 5% and various current and arrear interest components totaling $18,264 (2022 - $18,041) due to a related party (Note 8). Interest incurred on the loan payable during the year ended July 31, 2023 was $223 (2022 - $1,005). During the year ended July 31, 2023, this loan and interest thereon was fully repaid.

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

7. Share Capital (Continued)

(c) Share transactions

i) During the year ended July 31, 2023

During the year ended July 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 year ended July 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 contributed surplus. The flow-through premium liability associated with this issuance using the residual method was $525,597.

The Company recognized flow-through premium liability of $422,537 on incurred expenditures as flow-through share premium recovery during the year ended July 31, 2023. A total of $1,759,462 proceeds were incurred as expenditures during the year ended July 31, 2023 and the flow through liability were reduced accordingly.

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 – $0.65 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%.

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 exercised at a price of $0.25 raising gross proceeds of $93,750.

7. Share Capital (Continued)

(c) Share transactions (continued)

ii) During 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 flow-through 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 year ended July 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.

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.

(Expressed in Canadian dollars)

7. Share Capital (Continued)

(d) Warrants

	Year ended July 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 July 31, 2023 is 0.94 (2022 - 1.54) years.

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

Number of warrants	Exercise price	Expiry date
1,114,177	$1.05	August 13, 2023
4,552,000	$0.25	March 10, 2024
93,333	$0.30	May 9, 2024
872,650	$1.00	November 17, 2024
81,696	$0.60	November 17, 2024
50,000	$0.65	November 22, 2024
6,763,856	$0.49	

(e) 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 20% 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 year ended July 31, 2023

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. The options vested upon grant. The grant date fair value of the options was measured at $81,430. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price – $0.105; exercise price – $0.10; expected life – 2 years; volatility – 205%; dividend yield – $0; and risk-free rate – 3.88%.

7. Share Capital (Continued)

(e) Stock options (continued)

i) Issued during the year ended July 31, 2023 (continued)

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%. These options were cancelled on March 8, 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%. These options were cancelled on March 8, 2023.

ii) Issued during 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%.

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%.

(Expressed in Canadian dollars)

7. Share Capital (Continued)

(e) Stock options (continued)

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

	Year ended July 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	1,550,000	0.33	1,500,000	0.19
Exercised	(225,000)	0.19	-	-
Expired/Cancelled	(1,525,000)	0.44	(20,000)	3.00
Ending	1,800,000	$ 0.14	2,000,000	$ 0.22
Exercisable	1,800,000	$ 0.14	2,000,000	$ 0.22

Weighted average remaining life of outstanding options as at July 31, 2023 is 2.38 (2022 - 3.65) years.

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

Number of stock options	Exercise price	Expiry date
100,000	$0.31	July 20, 2026
50,000	$0.26	March 16, 2027
750,000	$0.15	June 8, 2025
900,000	$0.10	February 7, 2025
1,800,000		

The stock options granted during the year ended July 31, 2023 were valued at $438,774 using the Black-Scholes Option Pricing Model, using the following assumptions:

Grant date	Expected life	Volatility	Dividend yield	Risk-free interest rate	Forfeiture rate
November 17, 2022	2 years	194%	0%	3.88%	0%
November 22, 2022	2 years	194%	0%	3.87%	0%
February 7, 2023	2 years	205%	0%	3.88%	0%

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%

(Expressed in Canadian dollars)

7. Share Capital (Continued)

(e) Stock options (continued)

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:

		July 31, 2023		July 31, 2022
Legal fees – Woods & Company – A company control by a director Michael Wood	$	**2,358**	$	-
Management fees* – Surgenia Productions – a company controlled by the President and CEO, Scott Sheldon		**130,000**		*51,000
Interest paid to a director Donald Sheldon		**223**		5,410
Exploration expenses paid to Divitae Resources Ltd., a company controlled by a director Adrian Smith		**-**		25,000
Stock-based compensation		**271,900**		196,267
	$	**404,481**	$	277,677

*During the year ended July 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 July 31, 2023, the Company owed $26,971 (2022 - $28,742) to the President, director, and his company. This amount is non-interest bearing, unsecured and repayable on demand.

As at July 31, 2023, the Company had $Nil (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 (2022 - $20,100) and various current and arrear interest components totaling $18,264 (2022 - $18,041). Interest expense during the year ended July 31, 2023 was $223 (2022 - $1,005). During the year ended July 31, 2023, this loan has been fully repaid.

As at July 31, 2023, the Company had a receivable of $Nil (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. During the year ended July 31 2023 an amount of $63,890 was written off as being uncollectable.

(Expressed in Canadian dollars)

9. Lease Liability

The Company recognized right-of-use asset of $25,229 (Note 5) and lease liability of $25,229. The Company recorded a right-of-use asset for subleased office space ("February 1, 2023 Lease") in the statement of financial position relating to the sublease agreement effective February 1, 2023. 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.

In a lease, that came to an end on January 31, 2023, 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 ("September 01, 2022 Lease") in the 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. This lease came to an end on January 31, 2023.

In a lease that came to an end on August 31, 2022, 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 ("July 31, 2021 Lease") in the 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 year ended July 31, 2023 and for the year ended July 31, 2022:

	February 2023 – lease $	September 2022 – lease $	July 2021 – 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	25,229	35,577	-	60,806
Lease payments	(9,000)	(8,625)	(863)	(18,488)
Accretion on lease liability	1,667	2,061	11	3,739
Lease terminated	-	(29,013)	-	(29,013)
Balance, July 31, 2023	17,896	-	-	17,896
Current portion	16,415	-	-	16,415
Long term portion	1,481	-	-	1,481

(Expressed in Canadian dollars)

10. Financial Instruments

(a) Classification of Financial Instruments

The Company has classified its financial instruments as follows:

	July 31, 2023 $	July 31, 2022 $
Financial assets, measured at amortized cost:		
Cash	2,003,988	1,560,339
Due from related parties	-	72,624
	2,003,988	1,632,963
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	932,164	57,933
Due to related parties	26,971	28,741
Lease liabilities	17,896	852
Loan payable	-	38,141
	977,031	125,667

(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 July 31, 2023, the fair values of cash, accounts payable and accrued liabilities, due to/from related parties, 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 July 31, 2023 and lease liabilities of $16,415 (2022 - $852) due within 12 months, and $1,481 (2022 - $Nil) beyond 12 months.

10. Financial Instruments (Continued)

(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 July 31, 2023 is $63,890 (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.

(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 did maintain bank accounts which earned 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.

(Expressed in Canadian dollars)

11. 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 year ended July 31, 2023.

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

On November 17, 2022, the Company completed flow-through private placements totaling $2,188,606. As at July 31, 2023, the Company incurred all $1,759,462 in eligible exploration and evaluation expenditures and consequently the Company has the obligation to incur a remaining balance of $1,429,144 in exploration and evaluation expenditures.

12. 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.

13. Cash

		July 31, 2023		July 31, 2022
Cash	**$**	**574,844**	**$**	**887,742**
Cash committed for mineral exploration		1,429,144		672,597
Total Cash	$	2,003,988	$	1,560,339

(Expressed in Canadian dollars)

14. Income Taxes

The income taxes shown in the statements of loss and comprehensive loss differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	2023	2022
Statutory tax rate	27.00%	27.00%
Loss before income taxes	$ (2,822,709)	$ (642,163)
Expected income tax (recovery)	(762,132)	(173,384)
Increase (decrease) in income tax recovery resulting from:		
Items not deductible for income tax purposes	(74,204)	54,958
True down of prior year difference	44,706	(115,346)
Origination and reversal of temporary differences	(52,538)	22,636
Unused tax losses and tax offsets not recognized	844,168	211,136
Deferred income tax recovery	$ -	$ -

Details of deferred tax assets are as follows:

	2022	2022
Non-capital losses	$ 887,640	$ 780,089
Resource expenditures	1,204,150	508,448
Share Issuance costs and others	87,176	46,412
Lease liabilities	4,832	230
	2,183,798	1,335,179
Less: Unrecognized deferred tax assets	(2,183,798)	(1,335,179)
	$ -	$ -

The Company has approximately $3,287,000 of non-capital losses available, which begin to expire in 2032 through to 2043 and may be applied against future taxable income. The Company also has approximately $1,994,000 of exploration and development costs which are available for deduction against future income for tax purposes. At July 31, 2023, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

15. Subsequent event

Subsequent to the year ended July 31, 2023, on August 13, 2023, 1,114,177 share purchase warrants, exercisable at $1.05 expired unexercised.