Musk Metals Corp.

Financial Statements

March 31, 2024

(Expressed in Canadian Dollars)

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Musk Metals Corp.

Opinion

We have audited the financial statements of Musk Metals Corp. (the "Company"), which comprise the statements of financial position as at March 31, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 report.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is David Goertz.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

July 29, 2024

Musk Metals Corp.
Statements of Financial Position
Expressed in Canadian dollars

	Note	**March 31, 2024**	**March 31, 2023**
		$	**$**
ASSETS			
Current assets			
Cash		6,449	192,633
Prepaid expenses	4	3,515	222,285
Sales tax recoverable		45,994	88,781
Short-term investments	5	51,932	24,000
Total current assets		107,890	527,699
Exploration and evaluation assets	6	1,440,925	1,337,319
Total assets		1,548,815	1,865,018
LIABILITIES			
Current liabilities			
Accounts payables and accrued liabilities	7	525,462	316,354
Due to related parties	11	207,862	84,950
Other liabilities	8	42,564	121,161
Total liabilities		775,888	522,465
SHAREHOLDERS' EQUITY			
Share capital	9	5,618,325	5,238,612
Reserve	10	1,235,707	1,202,873
Accumulated deficit		(6,081,105)	(5,098,932)
Total shareholders' equity		772,927	1,342,553
Total liabilities and shareholders' equity		1,548,815	1,865,018

Nature of operations and going concern (Note 1)
Subsequent events (Note 14)

Approved on behalf of the Board:

Nader Vatanchi (signed)
Nader Vatanchi, Director

Mario Pezzente, (signed)
Mario Pezzente, Director

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

Musk Metals Corp.
Statements of Loss and Comprehensive Loss
Expressed in Canadian dollars

	Note	For the Year Ended March 31, 2024	2023
		$	$
EXPENSES			
Consulting	11	317,000	338,250
Corporate administration		36,088	32,542
Directors' fees	11	45,000	48,000
Impairment of exploration and evaluation assets	6	131,367	234,291
Interest and penalties		23,949	1,017
Management fees	11	90,000	90,000
Office and miscellaneous		40,643	42,842
Professional fees		57,721	62,062
Share-based compensation	9,11	31,477	1,647
Shareholder communications		5,167	12,818
Transfer agent and filing fees		22,005	12,106
		(800,417)	(875,575)
OTHER ITEMS			
Gain on settlement of debt	9(b)	32,420	19,613
Realized loss on short-term investments	5	(39,814)	-
Settlement of flow-through liability	8	78,597	103,648
Unrealized (loss) gain on short-term investments	5	(252,959)	4,000
NET LOSS AND COMPREHENSIVE LOSS		(982,173)	(748,314)
LOSS PER SHARE – Basic and diluted		(0.04)	(0.04)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – Basic and diluted		22,254,358	17,021,275

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

Musk Metals Corp.
Statements of Changes in Shareholders' Equity
Expressed in Canadian dollars

	Common Shares				
	Number	**Amount**	**Reserve**	**Deficit**	**Total**
		$	**$**	**$**	**$**
Balance, March 31, 2022	**16,012,276**	**4,883,813**	**1,200,975**	**(4,350,618)**	**1,734,170**
Common shares issued for exploration and evaluation asset	75,000	19,500	-	-	19,500
Common shares issued for settlement of debt	326,875	45,763	-	-	45,763
Units issued for cash	2,017,125	258,192	-	-	258,192
Share issuance costs	-	(1,156)	251	-	(905)
Common shares issued for exercise of warrants	162,500	32,500	-	-	32,500
Share-based compensation	-	-	1,647	-	1,647
Net loss and comprehensive loss	-	-	-	(748,314)	(748,314)
Balance, March 31, 2023	**18,593,776**	**5,238,612**	**1,202,873**	**(5,098,932)**	**1,342,553**
Common shares issued for exploration and evaluation assets	3,000,000	210,000	-	-	210,000
Common shares issued for settlement of debt	1,621,000	48,630	-	-	48,630
Units issued for cash	1,575,000	126,000	-	-	126,000
Share issuance costs	-	(4,917)	1,357	-	(3,560)
Share-based compensation	-	-	31,477	-	31,477
Net loss and comprehensive loss	-	-	-	(982,173)	(982,173)
Balance, March 31, 2024	**24,789,776**	**5,618,325**	**1,235,707**	**(6,081,105)**	**772,927**

(*) The Company effected a 4:1 share consolidation on June 9, 2023. All share and per share amounts have been retrospectively presented to reflect the share consolidation.

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

Musk Metals Corp.
Statements of Cash Flows
Expressed in Canadian dollars

	For the Year Ended March 31, 2024	2023
	$	$
OPERATING ACTIVITIES		
Net loss for the year	(982,173)	(748,314)
Items not affecting cash:		
Gain on settlement of debt	(32,420)	(19,613)
Impairment of exploration and evaluation assets	131,367	234,291
Realized loss on short-term investments	39,814	-
Settlement of flow-through liability	(78,597)	(103,648)
Share-based compensation	31,477	1,647
Unrealized loss (gain) on short-term investments	252,959	(4,000)
Change in non-cash working capital items:		
Prepaid expenses	5,168	-
Sales tax recoverable	42,787	(53,100)
Due to related parties	174,675	43,251
Accounts payables and accrued liabilities	143,387	(42,111)
Cash flows used in operating activities	(271,556)	(691,597)
INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets	-	(12,000)
Proceeds from option payments on exploration and evaluation assets	10,000	20,000
Exploration and evaluation expenditures, net of tax credits	(70,842)	(394,233)
Prepaid exploration and evaluation expenditures	-	(217,118)
Proceeds from sale of short-term investments	18,187	-
Cash flows used in investing activities	(42,655)	(603,351)
FINANCING ACTIVITIES		
Proceeds from units for cash, net of share issuance costs	122,440	257,287
Loans from related party	60,837	32,500
Repayments of loans from related party	(55,250)	-
Cash flows provided by financing activities	128,027	289,787
Change in cash	(186,184)	(1,005,161)
Cash, beginning of year	192,633	1,197,794
CASH, END OF YEAR	6,449	192,633

NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Common shares issued for exploration and evaluation asset	210,000	19,500
Common shares issued to settle accounts payable	48,630	45,763
Exploration and evaluation acquisition costs in accounts payable	68,700	-
Exploration and evaluation expenditures in accounts payable	48,870	28,149
Fair value of short-term investments received as option payment on exploration and evaluation assets	338,891	20,000
Fair value of finder's warrants issued for share issuance costs	1,357	251

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Musk Metals Corp. (“Musk” or the “Company”) was incorporated under the *Business Corporations Act* (British Columbia). The principal business of the Company is the acquisition, exploration, and evaluation of mineral properties in Canada. The Company’s shares trade on the Canadian Securities Exchange under the symbol “MUSK”.

The address of its head office is located at Suite 2905 - 700 West Georgia Street, Vancouver, British Columbia, Canada V7Y 1C6. The address of its registered office is 800 - 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3H1.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”), which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. At March 31, 2024, the Company had not yet achieved profitable operations. The Company expects to incur further losses in the development of its exploration assets. The continued operations of the Company are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. These conditions represent a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these financial statements.

2. BASIS OF PRESENTATION

(a) Statement of compliance

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

(b) Approval of the financial statements

The financial statements were reviewed by the Audit Committee and approved and authorized for issue on July 29, 2024 by the Board of Directors of the Company.

(c) Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for certain financial assets carried at fair value. The financial statements are presented in Canadian dollars, the functional currency of the Company, unless otherwise noted.

(d) Use of estimates and judgements

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

The preparation of these financial statements require management to make judgments regarding the going concern of the Company, as discussed in Note 1, and the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

2. BASIS OF PRESENTATION (continued)

(d) Use of estimates and judgements (continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Deferred tax assets and liabilities

The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company’s ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management’s assessment of the Company’s ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company’s exploration and evaluation assets does not necessarily represent present or future values, and the Company’s exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management’s assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company’s exploration and evaluation assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Exploration and evaluation assets

The Company may hold interests in mineral property interests in various forms, including prospecting licenses, exploration and exploitation concessions, mineral leases and surface rights, and property options. The Company capitalizes payments made in the process of acquiring legal title to these properties. Mineral property interest acquisition costs are recorded at historical cost. Exploration and evaluation expenditures are capitalized except for those expenditures incurred on properties prior to obtaining legal rights to explore the specific area which are recognized in profit or loss as incurred. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to development assets within property, plant and equipment.

The carrying values of exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Examples of such facts and circumstances are when the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed, substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planner, exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area, and sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation assets (continued)

When impairment indicators exist, the asset's recoverable amount is estimated. If it is determined that the estimated recoverable amount is less than the carrying value of an asset, then a write-down is recognized in profit or loss. An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. The Company currently has no measurable obligations for restoration and environmental costs.

Share-based payments

The Company accounts for share-based payments using the fair value method. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Restricted share units ("RSUs") are equity-settled payments, measured at their fair value on the date of grant based on the closing price of the Company's share on the date of grant, and are recognized as share-based compensation expense over the vesting period, based on the number of awards expected to vest, with the offset credited to reserve. Once the RSUs are fully vested, the related share reserve is transferred from reserve to share capital.

Flow-through shares

The Company from time to time issues flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and ii) share capital. Upon expenses being renounced and incurred, the Company derecognizes the liability and the premium is recognized as other income. Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial Instruments

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

The following table shows classification of the Company's financial instruments:

Financial asset/ liability	Classification
Cash	FVTPL
Short-term investments	FVTPL
Accounts payable	Amortized cost
Due to related parties	Amortized cost

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive income (loss) in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

Impairment of financial assets at amortized cost

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

Derecognition

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Loss per share

Basic loss per share is calculated by dividing the net loss for the year divided by the weighted average number of common shares outstanding during the year. The diluted loss per share are calculated based on the weighted average number of common shares outstanding during the year, plus the effects of the dilutive common share equivalents. This method requires that the dilutive effect of outstanding options and warrants issued be calculated using the treasury stock method.

Recent accounting pronouncements

The following new standards and amendments to existing standards have been issued by the IASB and are effective for the year ended March 31, 2024:

Amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgements

The IASB has issued amendments titled Disclosure of Accounting Policies to IAS 1 and IFRS Practice Statement 2, effective from January 1, 2023. These changes guide entities to prioritize the disclosure of "material" over "significant" accounting policies. The amendments provide clarity on identifying material policies, emphasizing that information can be material due to its inherent nature, even if related amounts are immaterial. Additionally, IFRS Practice Statement 2 has been enhanced to support these changes. The adoption of these amendments resulted in certain changes to the Company's accounting policy disclosures. The Company's material accounting policies are disclosed in Note 3 – Material Accounting Policy Information.

Amendments to IAS 8, Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduced a definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, and apply to changes in accounting policies and accounting estimates that occur on or after the start of that period. The adoption of these amendments had no material impact on the financial statements.

(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Recent accounting pronouncements *(continued)*

Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 to clarify the accounting for deferred tax on transactions such as leases and decommissioning obligations by removing the initial recognition exemption for transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual periods beginning on or after January 1, 2023. The adoption of these amendments had no material impact on the financial statements.

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2023:

(i) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) effective for annual periods beginning on or after January 1, 2024.

(ii) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases) effective for annual periods beginning on or after January 1, 2024.

None of these pronouncements are expected to have a material impact on the Company's financial statements upon adoption.

4. PREPAID EXPENSES

	March 31, 2024 $	March 31, 2023 $
Prepaid shareholder communications fees	-	5,168
Advance for exploration expenditures	3,515	217,117
	3,515	222,285

5. SHORT-TERM INVESTMENTS

Hi-View Resources Inc.

During the year ended March 31, 2023, the Company received 400,000 common shares of Zeal Exploration Inc. (“Zeal”), a private company, with a fair value of $20,000 pursuant an option agreement on its Lawyers East, West and North Prospects (Note 6).

On April 26, 2023, the Company received 400,000 common shares of Hi-View Resources Inc. (“Hi-View”), a publicly traded company, in exchange for its short-term investment of 400,000 common shares of Zeal pursuant to the acquisition of Zeal by Hi-View. The Chief Financial Officer of the Company is also a Director of Hi-View.

On June 21, 2023, the Company received an additional 200,000 common shares of Hi-View with a fair value of $19,000 pursuant an option agreement on its Lawyers East, West and North Prospects (Note 6).

On December 28, 2023, the Company received an additional 500,000 common shares of Hi-View with a fair value of $10,000 pursuant an option agreement on its Lawyers East, West and North Prospects (Note 6).

(Expressed in Canadian dollars)

5. SHORT-TERM INVESTMENTS (continued)

Jinhua Capital Corp.

On August 9, 2023, the Company received 3,443,240 common shares of Jinhua Capital Corporation ("Jinhua"), a publicly traded company, with a fair value of $309,891 pursuant an option agreement on its Pluto Property (Note 6).

The fair value of the common shares of Hi-View and Jinhua received and held was determined by reference to their publicly quoted stock prices.

	March 31, 2022 fair value $	Additions $	Disposals $	Unrealized gain $	March 31, 2023 fair value $
Zeal – Common shares	-	20,000	-	4,000	24,000
	-	20,000	-	4,000	24,000

	March 31, 2023 fair value $	Additions $	Exchange $	Disposals $	Unrealized loss $	March 31, 2024 fair value $
Zeal – Common shares	24,000	-	(24,000)	-	-	-
Hi-View – Common shares	-	29,000	24,000	(13,000)	(17,500)	22,500
Jinhua – Common shares	-	309,891	-	(45,000)	(235,459)	29,432
	24,000	338,891	-	(58,000)	(252,959)	51,932

During the year ended March 31, 2024, the Company sold 200,000 common shares of Hi-View with a cost of $13,000 for net proceeds of $7,990 and 500,000 common shares of Jinhua with a cost of $45,000 for net proceeds of $10,196, resulting in a realized loss on short-term investments of $39,814.

6. EXPLORATION AND EVALUATION ASSETS

Pluto Gold Prospect, Quebec

The Company has acquired the rights, through staking, to mineral claims located in the Chapais Township, Quebec, collectively known as the Pluto Gold Prospect.

On January 19, 2022, and as amended on May 11, 2022, and June 27, 2023, the Company entered into an option agreement with Jinhua Capital Corp. ("Jinhua") on the Pluto Gold Prospect, whereby Jinhua can earn up to a 100% interest in the property. The optionee may exercise the first option and earn a 80% interest in the property by paying the Company $118,324 in cash, common shares of Jinhua, or combination thereof, on the closing date of the Option Agreement (1,183,240 common shares issued by Jinhua to the Company on August 9, 2023); and an additional $118,324 in cash, common shares of Jinhua, or combination thereof, at the sole election of Jinhua on or before the date that is 18 months from the Exchange approval and closing of concurrent private placement of at least $500,000 ("Closing Date").

6. EXPLORATION AND EVALUATION ASSETS (continued)

Upon the exercise of the First Option, Jinhua and the Company will be deemed to have formed a joint venture (the "Joint Venture") on a 80% - 20% basis, and will promptly execute a Joint Venture agreement based upon the material terms attached to the Option Agreement. Jinhua will initially have a participating interest in the Joint Venture and the Company will initially have a carried interest in the Joint Venture until the earlier of: (a) exercise of the Second Option (as defined herein); and (b) termination of the Second Option. In the event the Second Option is terminated for failing to satisfy the conditions thereof, the Company's interest in the Property will automatically change to a participating interest.

The optionee may exercise the second option and earn the remaining 20% interest in the property by incurring at least $250,000 in qualified exploration and development expenditures on the Property (the "Expenditures") on or before the fourth anniversary of the execution of the Option Agreement; and incurring an additional $500,000 ($750,000 in aggregate) in Expenditures on or before the fifth anniversary of the execution of the Option Agreement. Upon the exercise of the Second Option, the Joint Venture will terminate. In the event that Jinhua fails to satisfy the conditions to exercise the Second Option, the Second Option will terminate, the Company's interest will automatically change from a carried interest to a participating interest, and the parties will proceed to advance the Property in accordance with the Joint Venture agreement terms.

Pursuant to the Option Agreement, the Company will advance $226,000 (paid) to the authors (the "Authors") of the technical report on the Property (the "Technical Report") for the Authors to undertake the proposed phase 1 geological work program on the Property as set out in the Technical Report ("Phase 1 Work"). The Option Agreement provides for the following:

- upon the Authors completing the Phase 1 Work, the Company has agreed to immediately undertake commercially reasonable efforts to provide Jinhua with all relevant and supporting geological information, details, logs, invoices, expenditures and other documents evidencing the completion of the Phase 1 Work (the "Geological Records") (provided); and
- upon receipt of the Geological Records by Jinhua and verification that the Geological Records evidence that the Authors have completed the Phase 1 Work by expending at least $200,000 thereto in accordance with standard practices for geological work in Canada (the "Eligible Expenditures"), Jinhua will promptly issue 2,260,000 common shares at a deemed issue price of $0.10 per share to the Company (each, an "Expenditure Share").

Any Expenditure Shares will be issued pursuant to an exemption under applicable securities laws and will bear a restricted period of four months and one day in accordance. Jinhua has received the Geological Records evidencing the Eligible Expenditures. The 2,260,000 of Expenditure Shares were issued by Jinhua to the Company on August 9, 2023.

McDonough Red Lake Prospect, Ontario

On May 20, 2020, the Company entered into a property option agreement to acquire a 100% interest in the McDonough Red Lake Prospect. The McDonough Red Lake Prospect consists of 4 claims in the Red Lake Greenstone Belt of northwestern Ontario. Under the terms of the agreement, the Company will pay $2,000 (paid) and issue 50,000 common shares (issued) upon signing, $8,000 (paid) within 30 days of signing, $10,000 (paid) and 50,000 common shares within 12 months of signing (issued), $15,000 on the second anniversary of signing and $25,000 on the third anniversary of signing. The property is subject to a 1.5% Net Smelter Return ("NSR") to the Vendor of which the Company has the right to purchase a 0.75% NSR for $500,000. During the year ended March 31, 2023, the Company recognized an impairment of $129,302 on the McDonough Red Lake Prospect. On April 11, 2023, the Company issued notice to the optionor that it was terminating the option agreement.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Lawyers East and West Prospect, B.C.

On September 22, 2020, the Company acquired mineral claims located in the Golden Triangle region of British Columbia, collectively known as the Lawyers East and West Prospect.

Lawyers North Prospect, B.C.

On January 4, 2021, the Company acquired mineral claims located in the Golden Triangle region of British Columbia, collectively known as the Lawyers North Prospect.

On June 1, 2022, as amended on June 5, 2023, June 7, 2023, and December 18, 2023, the Company entered into an option agreement on its Lawyers East, West and North Prospects with a subsidiary of Hi-View (the “Optionee”), whereby the Optionee can earn up to a 100% interest in the properties. The Chief Financial Officer of the Company is a Director of Hi-View. The Optionee may exercise the first option and earn a 50% interest in the properties by paying $20,000 (received) and issuing 400,000 common shares (received) upon signing, issuing 200,000 common shares of Hi-View (received) by June 21, 2023, paying $10,000 (received) and issuing 500,000 common shares of Hi-View (received) by December 31, 2023, paying $25,000 (received subsequently – Note 14(b)) and issuing 200,000 common shares of Hi-View (received subsequently – Note 14(b)) within 24 months of signing, and making certain exploration expenditures on the property within 24 months from the date of the option agreement. The Optionee may exercise the second option within 36 months of the date of the option agreement and earn an additional 50% interest in the properties for a total of 100% interest by paying the Company $90,000, issuing 800,000 common shares of Hi-View, and granting a 2% NSR with 1% of the NSR purchasable for $1,000,000 by the optionee.

Elon Lithium Prospect, Quebec

On March 25, 2021, the Company acquired mineral claims located in the La Corne and Fiedmont townships of Quebec, collectively known as the Elon Lithium Prospect.

Pakeagama Lithium Prospect, Ontario

On April 6, 2021, the Company entered into a property option agreement to acquire a 100% interest in the Pakeagama Lithium Prospect claims located in the Electric Avenue pegmatite field of northwestern Ontario. The property consists of four contiguous mining claims, which was subsequently increased to seven mining claims. In order to acquire a 100% interest, the Company must pay:

i) $8,000 (paid) and issue 75,000 common shares (issued) within 3 business days of signing the property option agreement;

ii) $12,000 (paid) and issue 75,000 common shares (issued) on the first-year anniversary;

iii) $20,000 on the second-year anniversary; and

iv) $30,000 on the third-year anniversary.

The property is subject to a 1.5% NSR to the vendor, of which the Company has the right to purchase a 0.5% NSR for $500,000.

During the year ended March 31, 2023, the Company recognized an impairment of $104,990 on the Pakeagama Lithium Prospect. On April 5, 2023, the Company issued notice to the optionor that it was terminating the option agreement.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Allison Lake Prospect, Ontario

On January 31, 2022, the Company entered into a Mineral Property Purchase Agreement to acquire 100% interest in four mineral claims constituting the Allison Lake Prospect in consideration for $10,000 (paid) and 375,000 common shares (issued). The vendors will retain a 1.5% NSR on the property, of which the Company may purchase one half of the NSR for $1,000,000 at any time up to commencement of production. During the year ended March 31, 2024, the Company recognized an impairment of $131,367 on the Allison Lake Prospect.

Pontax South Prospect, Quebec

On July 19, 2023, as amended on October 10, 2023 and on July 10, 2024 (amended subsequently - Note 14(e)), the Company acquired two lithium properties located in James Bay, Quebec. The purchase price payable to the arm's length vendors for the mineral claims shall be as follows:

i) cash payment of $50,000 to be paid on or before June 26, 2024 (extended to December 26, 2024 – Note 14(e));

ii) issuing 1,500,000 common shares of the Company to each of the two vendors (issued); and

iii) granting a 2% underlying royalty. The Company has a right to acquire 1% (50% of the underlying royalty) at any time for the payment of $1,000,000.

In connection with the acquisition, the Company incurred finder's fees of $18,700. As at March 31, 2024, the $50,000 due under the agreement is included in accounts payable and accrued liabilities.

Fafnir Lake Prospect, Quebec

On January 10, 2024, the Company acquired 36 mineral claims located in the Upper Laurentides region of Quebec, collectively known as the Fafnir Lake Prospect.

Bissent Lake Prospect, Quebec

On January 10, 2024, the Company acquired 35 mineral claims located in the Upper Laurentides region of Quebec, collectively known as the Bissent Lake Prospect.

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

The Company has incurred costs on its exploration and evaluation assets as follows:

	Pluto Gold Prospect $	McDonough Red Lake Prospect $	Lawyers East, West and North Prospects $	Elon Lithium Prospect $	Pakeagama Lithium Prospect $	Allison Lake Prospect $	Pontax South Prospect $	Fafnir Lake Prospect $	Bissent Lake Prospect $	Total $
Balance, March 31, 2022	235,317	129,302	270,000	370,910	39,500	128,875	-	-	-	1,173,904
Acquisition costs	-	-	-	-	31,500	-	-	-	-	31,500
Exploration expenditures:										
Claim administration	6,200	-	-	-	1,732	-	-	-	-	7,932
Geological	200,169	-	-	145,032	26,257	-	-	-	-	371,458
Travel/ accommodation	-	-	-	8,157	-	-	-	-	-	8,157
Mobilization/demobilization	-	-	-	12,659	6,000	-	-	-	-	18,659
Option payments received:										
Cash	-	-	(20,000)	-	-	-	-	-	-	(20,000)
Shares	-	-	(20,000)	-	-	-	-	-	-	(20,000)
Impairment	-	(129,302)	-	-	(104,989)	-	-	-	-	(234,291)
Balance, March 31, 2023	441,686	-	230,000	536,758	-	128,875	-	-	-	1,337,319
Acquisition costs	-	-	-	-	-	-	278,700	2,772	2,695	284,167
Exploration expenditures:										
Claim administration	2,302	-	2,243	3,122	-	2,492	897	359	359	11,774
Geological	-	-	-	173,155	-	-	104,696	-	-	277,851
Travel/ accommodation	-	-	-	10,073	-	-	-	-	-	10,073
Mobilization/demobilization	-	-	-	-	-	-	-	-	-	
Option payments received:										
Cash	-	-	(10,000)	-	-	-	-	-	-	(10,000)
Shares	(309,892)	-	(29,000)	-	-	-	-	-	-	(338,892)
Impairment	-	-	-	-	-	(131,367)	-	-	-	(131,367)
Balance, March 31, 2024	134,096	-	193,243	723,108	-	-	384,293	3,131	3,054	1,440,925

(Expressed in Canadian dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2024 $	March 31, 2023 $
Accounts payable	402,682	234,057
Accrued liabilities	72,780	82,297
Exploration and evaluation asset acquisition costs	50,000	-
	525,462	316,354

8. OTHER LIABILITIES

Other liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through share issuances:

Flow-through Liabilities	$
Balance, March 31, 2022	224,809
Settlement of flow-though share liability on incurring expenditures	(103,648)
Balance, March 31, 2023	121,161
Settlement of flow-though share liability on incurring expenditures	(78,597)
Balance, March 31, 2024	42,564

The Company did not incur $188,000 in expenditures related to funds received from the issuance of flow-through shares by the required deadline.

9. SHARE CAPITAL

(a) Authorized – Unlimited number of common shares without par value.

(b) Issued and Outstanding

Year ended March 31, 2024:

On June 9, 2023, the Company effected a 4-for-1 share consolidation. All share and per share amounts have been retrospectively presented to reflect the share consolidation.

On July 19, 2023, the Company issued 3,000,000 common shares with a fair value of $210,000 pursuant to the property purchase agreement to acquire a 100% interest in the Pontax South Prospect (Note 6).

On August 23, 2023, the Company issued a total of 1,575,000 units at $0.08 per unit for gross proceeds of $126,000. Each unit consists of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase one common share at $0.12 per share for period of 2 years. The Company paid a cash finder’s fee of $2,080, incurred legal costs of $1,480, and issued 26,000 broker warrants with fair value of $1,357. Each broker warrant entitles the holder to purchase one common share at $0.12 per share for a period of 2 years.

On November 14, 2023, the Company issued 1,621,000 common shares with fair value of $48,630 to settle accounts payable of $23,700 and amounts payable to related parties of $57,350, resulting in a gain on settlement of $32,420.

Year ended March 31, 2023:

On April 6, 2022, the Company issued 75,000 common shares with a fair value of $19,500 pursuant to the property purchase agreement to acquire a 100% interest in the Pakeagama Lithium Prospect (Note 6).

On September 29, 2022, the Company issued 326,875 common shares with a fair value of $45,763 to settle due to related parties balance of $65,376, resulting in a gain on settlement of $19,613.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

Year ended March 31, 2023 (continued):

On November 15, 2022, the Company issued a total of 2,017,125 units at $0.128 per unit, for gross proceeds of $258,192. Each unit consists of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase one additional share at a price of $0.20 per warrant share for a period of five years. The Company paid a cash finder's fee of $320, incurred legal costs of $585, and issued 2,500 broker warrants with fair value of $251. Each broker warrant entitles the holder to purchase one common share at $0.20 per warrant share for a period of 5 years.

In February 2023, the Company issued a total of 162,500 common shares pursuant to the exercise of warrants at $0.20 per share for total proceeds of $32,500.

(c) Stock Options

The Company's incentive stock option plan provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements and limitations, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares.

	Number of Options	Weighted Average Exercise Price $
Outstanding, March 31, 2022	1,557,500	0.36
Granted	62,500	0.22
Expired	(257,500)	0.52
Cancelled/Forfeited	(62,500)	0.22
Outstanding, March 31, 2023	1,300,000	0.33
Expired	(1,300,000)	0.33
Outstanding and exercisable, March 31, 2024	-	-

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the year ended March 31, 2024, the Company recognized share-based compensation expense of $nil (2023 - $1,647).

The weighted average fair value of options granted during the year ended March 31, 2024, was $nil (2022 – $0.04) per share. Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

	2024	2023
Risk-free interest rate	-	4.03%
Dividend yield	-	0%
Expected volatility	-	154%
Expected life (years)	-	0.62
Forfeiture rate	-	0%

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

(d) Share Purchase Warrants

	Number of Warrants	Weighted Average Exercise Price $
Balance, March 31, 2022	8,599,602	0.60
Issued	2,019,625	0.20
Exercised	(162,500)	0.20
Expired	(2,255,132)	1.20
Balance, March 31, 2023	8,201,595	0.34
Issued	1,601,000	0.12
Expired	(4,147,345)	0.48
Outstanding, March 31, 2024	5,655,250	0.18

As at March 31, 2024, the Company had 5,655,250 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

Number of Warrants	Exercise Price $	Expiry Date
1,601,000	0.12	August 23, 2025
2,034,625	0.20	April 19, 2027
2,019,625	0.20	November 15, 2027
5,655,250		

As at March 31, 2024, the weighted average remaining life of warrants outstanding was 2.79 years.

(e) Restricted Share Units

On March 25, 2024, the Company entered into Restricted Share Unit Agreements with directors and consultants of the Company to issue a total of 2,475,000 restricted share units ("RSUs"). The RSU's expire on March 25, 2025, and vest as follows:

- 40% on March 25, 2024;
- 20% on June 25, 2024;
- 20% on September 25, 2024; and
- 20% on December 25, 2024.

The fair value of the RSUs is measured based on the closing price of the Company's common shares on the grant date and is recognized as share-based compensation over the vesting period. During the year ended March 31, 2024, the Company recognized share-based compensation expense of $31,477 (2023 - $nil) related to the RSU's, of which $19,841 pertained to officers and directors of the Company.

10. RESERVE

	March 31, 2024 $	March 31, 2023 $
Balance, beginning of year	1,202,873	1,200,975
Share-based compensation	31,477	1,647
Fair value of broker warrants	1,357	251
Balance, end of year	1,235,707	1,202,873

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS

Key management personnel compensation and other related party transactions

The Company considers key management personnel to be the directors and officers of the Company. The remuneration of directors and other members of key management for the year ended March 31, 2024, and 2023, are as follows:

	2024 $	2023 $
Consulting	156,000	156,000
Director's fees	45,000	48,000
Management fees	90,000	90,000
Share-based compensation	19,841	-
	310,841	294,000

Related party balances

As at March 31, 2024, the Company has a balance of $13,125 (March 31, 2023 - $9,450) payable to a company controlled by the Chief Executive Officer of the Company. The amount is unsecured, non interest-bearing and due on demand.

As at March 31, 2024, the Company has a balance of $136,500 (March 31, 2023 - $27,300) payable to a company controlled by the father of the Chief Financial Officer ("CFO") of the Company. The amount is unsecured, non interest-bearing and due on demand.

As at March 31, 2024, the Company has a balance of $5,467 (March 31, 2023 - $nil) payable to the father of the CFO of the Company. The amount is unsecured, bears interest at 10% per annum and due on demand. As at March 31, 2024, the Company has recognized accrued interest of $120 (March 31, 2023 - $nil) which is owing to the father of the CFO of the Company.

As at March 31, 2024, the Company has a balance of $13,125 (March 31, 2023 - $9,450) payable to a company controlled by a Director of the Company. The amount is unsecured, non interest-bearing and due on demand.

As at March 31, 2024, the Company has a balance of $3,000 (March 31, 2023 - $2,750) payable to a former Director of the Company. The amount is unsecured, non interest-bearing and due on demand.

As at March 31, 2024, the Company has a balance of $36,000 (March 31, 2023 - $36,000) payable to the former Chief Executive Officer of the Company. The amount is unsecured, non interest-bearing and due on demand.

As at March 31, 2024, the Company has a balance of $525 (March 31, 2023 - $nil) payable to a company controlled by a Director of the Company. The amount is unsecured, non interest-bearing and due on demand.

12. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company's cash is deposited with a major bank in Canada. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

12. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

(b) 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

Historically, the Company's primary source of funding has been the issuance of equity securities for cash, primarily through private placements and the advance of loans. The Company's access to equity financing is dependent upon market conditions and market risks. There can be no assurance of continued access to equity funding.

(c) Interest rate risk

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its bank account and loans. The income earned on the bank account is subject to the movements in interest rates. The Company has cash balances and fixed interest-bearing loans, therefore, interest rate risk is nominal.

(d) Capital management

The Company's policy is to maintain a capital base sufficient to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of working capital and share capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

(e) Fair value

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;

Level 3 – Inputs that are not based on observable market data.

The fair value of short-term investments was determined by reference to publicly quoted stock prices and is therefore classified as level 1 within the fair value hierarchy.

(Expressed in Canadian dollars)

13. INCOME TAXES

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

	2024 $	2023 $
Net loss for the year	(982,173)	(748,314)
Statutory income tax rate	27%	27%
Income tax benefit computed at statutory tax rate	(265,000)	(202,000)
Permanent differences	(106,000)	153,000
Impact of flow through shares	78,000	100,000
Share issue cost	(2,000)	-
Change in valuation allowance	295,000	(51,000)
Deferred income tax expense (recovery)	-	-

Significant components of the Company's unrecognized deferred tax assets are as follows

	2024 $	2023 $
Non-capital losses	1,110,000	902,000
Exploration and evaluation assets	342,000	245,000
Share issue costs	18,000	28,000
	1,470,000	1,175,000
Valuation allowance	(1,470,000)	(1,175,000)
Net deferred tax liabilities	-	-

No net deferred tax asset has been recognized in respect of the above because the amount of future taxable profit that will be available to realize such assets is not probable.

The Company has non-capital losses of $4,124,000 available for carry-forward to reduce future years' income for income tax purposes. These losses expire beginning in 2036.

14. SUBSEQUENT EVENTS

(a) Subsequent to the year ended March 31, 2024, the Company has engaged a digital marketing firm to provide investor relation services to the Company. In consideration for the services, the Company agreed to pay $30,000 for two months of services with the option to renew.

(b) Subsequent to the year ended March 31, 2024, the Company received $25,000 and 200,000 common shares of Hi-View pursuant to the option agreement on its Lawyers East, West and North Prospects with Zeal Exploration Inc., a subsidiary of Hi-View (the "Optionee") (Note 6). With the payment and share issuance, the Optionee exercised the first option and earned a 50% interest in the properties.

(c) On April 4, 2024, the Company issued a total of 990,000 common shares in respect to RSUs which vested on March 25, 2024 (Note 9(e)).

(d) On June 21, 2024, the Company issued a total of 7,816,743 common shares with fair value of $312,670 to settle accounts payable of $200,000 and amounts payable to related parties of $142,000, resulting in a gain on settlement of $29,330.

(e) On July 10, 2024, the Company entered into an amended purchase agreement on its Pontax South Prospect to extend the due date of the $50,000 cash payment from June 26, 2024 to December 26, 2024.