Q BATTERY METALS CORP.

(formerly Black Tusk Resources Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

(Expressed in Canadian Dollars)

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 **Fax:** 604. 714. 3669 **Web:** manningelliott.com

To the Shareholders and Directors of Q Battery Metals Corp. (formerly Black Tusk Resources Inc.)

Opinion

We have audited the consolidated financial statements of Q Battery Metals Corp. and its subsidiaries (the "Company") which comprise the consolidated statements of financial position as at April 30, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at April 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits 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 of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 for the year ended April 30, 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.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditors' report:

<u>Assessment of Impairment Indicators on Exploration and Evaluation Assets ("E&E Assets")</u>

We draw attention to Notes 4(a), 4(m) and 5 of the Financial Statements. The carrying amount of E&E Assets amounted to $2,826,515 as at April 30, 2023. E&E Assets are assessed for impairment if (i) 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, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities, and (iv) sufficient data exists to determine technical feasibility and commercial viability.

We identified the assessment of impairment indicators of E&E Assets as a key audit matter due to the significance of the E&E Assets and the judgments made by management in their assessment of impairment indicators related to E&E Assets, which in turn led to additional auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in this area that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Our audit response to the key audit matter was as follows:

- We assessed the status of the Company's rights to explore by discussing with management if any rights were not expected to be renewed and, on a sample basis, verified the status of the underlying claims comprising the E&E Assets;
- We assessed the Company's ability and plans to make substantive expenditures on further exploration for and evaluation of mineral resources based on the Company's available funds and history of raising funds through private placements when needed, and;
- We assessed whether exploration and evaluation activities in areas of exploration have not led to the discovery of commercially viable quantities of mineral resources and assessed whether the Company has decided to abandon or discontinue exploration activities by inspecting Board of Directors minutes, reading press releases and relying on other evidence obtained in other areas of the audit;

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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.

If, based on the work we have performed on this other information, 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 as issued by the International Accounting Standards Board, 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.

Auditors' 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 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 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 auditors' 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 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 Financial Statements, including the disclosures, and whether the 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 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 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 Waseem Javed.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
August 28, 2023

Q BATTERY METALS CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT APRIL 30, 2023 AND 2022

(Expressed in Canadian dollars)

	2023	**2022**
	$	**$**
ASSETS		
CURRENT		
Cash and cash equivalents	53,557	108,051
Amounts receivable	77,551	79,509
Prepaid expenses (Note 7)	4,750	67,200
Total current assets	135,858	254,760
Exploration and evaluation assets (Note 5)	2,826,515	2,510,651
TOTAL ASSETS	**2,962,373**	**2,765,411**
LIABILITIES		
CURRENT		
Accounts payable and accrued expenses	158,749	110,988
Flow-through premium (Note 14)	83,733	33,400
TOTAL LIABILITIES	**242,482**	**144,388**
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	13,790,547	11,372,106
Reserves (Note 8)	1,712,932	896,574
Deficit	(12,783,588)	(9,647,657)
TOTAL SHAREHOLDERS' EQUITY	**2,719,891**	**2,621,023**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,962,373**	**2,765,411**

NATURE OF BUSINESS (Note 1)
GOING CONCERN (Note 2)
COMMITMENTS (Note 13)
SUBSEQUENT EVENT (Note 15)

Approved on behalf of the Board:

/s/ "Richard R. Penn" CEO *   /s/ "Krystal Pineo"* CFO

Q BATTERY METALS CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

(Expressed in Canadian dollars)

	2023	2022
	$	$
EXPENSES		
Consulting fees (Note 6)	814,210	1,230,366
Investor communications	566,023	69,130
Management fees (Note 6)	240,000	300,000
Office expenses and miscellaneous	14,601	9,269
Professional fees	275,024	163,867
Stock-based compensation (Notes 6 and 8)	333,823	–
Transfer agent and filling	38,185	13,957
Travel and promotion	169,254	351,169
LOSS BEFORE OTHER ITEMS	**(2,451,120)**	**(2,137,758)**
OTHER ITEMS		
Impairment of exploration and evaluation asset (Note 5)	(761,800)	–
Recovery of flow-through premium (Note 14)	53,989	31,600
Gain on settlement of liabilities (Note 8)	23,000	29,000
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	**(3,135,931)**	**(2,077,158)**
LOSS PER SHARE – BASIC AND DILUTED	**(0.10)**	**(0.12)**
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED	**31,926,394**	**16,695,177**

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

Q BATTERY METALS CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

(Expressed in Canadian dollars)

	2023	2022
	$	$
OPERATING ACTIVITIES		
Net loss	(3,135,931)	(2,077,158)
Non-cash items:		
Stock-based compensation	333,823	–
Gain on settlement of liabilities	(23,000)	(29,000)
Recovery of flow-through premium	(53,989)	(31,600)
Impairment of exploration and evaluation asset	761,800	–
Changes in non-cash working capital items:		
Amounts receivable	1,958	53,868
Prepaid expenses	62,450	43,000
Accounts payable and accrued expenses	418,409	30,791
Net cash used in operating activities	(1,634,480)	(2,010,099)
INVESTING ACTIVITIES		
Exploration and evaluation asset acquisition costs	(35,207)	–
Deferred exploration expenditures	(257,126)	(126,405)
Net cash used in investing activities	(292,333)	(126,405)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	2,032,751	565,000
Share issuance costs	(160,432)	(20,000)
Net cash provided by financing activities	1,872,319	545,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(54,494)	(1,591,504)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	108,051	1,699,555
CASH AND CASH EQUIVALENTS, END OF YEAR	53,557	108,051

NON-CASH TRANSACTIONS		
Common shares issued for debt settlements (Note 8)	347,648	43,500
Finders' warrants (Note 8)	26,556	9,632
Fair value of warrants issued for acquisition of 1394627 B.C. Ltd. (Note 8)	325,331	–
Common shares issued for acquisition of 1394627 B.C. Ltd. (Note 8)	460,000	–

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

Q BATTERY METALS CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

(Expressed in Canadian dollars)

	Share Capital				
	Number of Shares	Amount	Reserves	Deficit	Total
		$	$	$	$
Balance at April 30, 2022	**18,155,026**	**11,372,106**	**896,574**	**(9,647,657)**	**2,621,023**
Shares issued for cash net of issuance costs	26,513,442	1,880,205	–	–	1,880,205
Flow-through premium		(104,322)	–	–	(104,322)
Warrants		(130,648)	130,648	–	–
Shares issued to finders	26,285	(7,886)	–	–	(7,886)
Finders' warrants	–	(26,556)	26,556	–	–
Shares issued for debt settlement	3,963,296	347,648	–	–	347,648
Shares and warrants issued for acquisition of 1394627 B.C. Ltd.	4,600,000	460,000	325,331	–	785,331
Stock-based compensation	–	–	333,823	–	333,823
Net loss and comprehensive loss for the year	–	–	–	(3,135,931)	(3,135,931)
Balance at April 30, 2023	**53,258,049**	**13,790,547**	**1,712,932**	**(12,783,588)**	**2,719,891**
Balance at April 30, 2021	**15,835,026**	**10,858,237**	**886,942**	**(7,570,499)**	**4,174,680**
Shares issued for cash net of issuance costs	2,175,000	545,000	–	–	545,000
Flow-through premium	–	(65,000)	–	–	(65,000)
Finders' warrants	–	(9,632)	9,632	–	–
Shares issued for debt settlement	145,000	43,500	–	–	43,500
Net loss and comprehensive loss for the year	–	–	–	(2,077,158)	(2,077,158)
Balance at April 30, 2022	**18,155,026**	**11,372,106**	**896,574**	**(9,647,657)**	**2,621,023**

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

1. NATURE OF BUSINESS

Q Battery Metals Corp. (formerly Black Tusk Resources Inc.) (the "Company") was incorporated under the Business Corporations Act on November 18, 2016 in the province of British Columbia. The Company's common shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "QMET". The Company operates in a single business segment focusing on mineral exploration in Canada. The principal business office of the Company is located at #500 – 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 3P6.

The Company's principal business activities include the acquisition and exploration of mineral property assets located in Quebec and British Columbia, Canada.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast significant doubt on the validity of this assumption. For the year ended April 30, 2023, the Company incurred a net loss of $3,135,931 and has an accumulated deficit of $12,783,588. The Company has limited resources, no sources of operating cash flow, and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage, and accordingly, has not yet commenced revenue–producing operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Accordingly, these factors give rise to a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and will require and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these consolidated financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PRESENTATION

Approval of the consolidated financial statements
The consolidated financial statements of the Company for the year ended April 30, 2023 were reviewed by the Board of Directors and approved and authorized for issue on August 28, 2023 by the Board of Directors of the Company.

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") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

3. BASIS OF PRESENTATION *(continued)*

Basis of measurement
The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. The consolidated financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are valued at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for assets. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Basis of Consolidation
These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries 1394627 B.C. Ltd., Golda Resources Inc. and Chalice Gold Exploration Corp. All significant intercompany transactions and balances have been eliminated. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. When the Company ceases to control a subsidiary, assets, liabilities and non-controlling interests of the subsidiary are derecognized at their carrying amounts at the date when control is lost. Investment retained in the former subsidiary is recognized at its fair value and any gain or loss resulting from deconsolidation is recorded through profit or loss.

The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and evaluation assets

i. Pre-license expenditures

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation ("E&E") assets according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and or probable mineral reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are charged to exploration and evaluation expense. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

a) Exploration and evaluation assets *(continued)*

The Company has not established any NI 43-101 compliant proven or probable reserves on any of its mineral properties which have been determined to be economically viable.

ii. Impairment

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

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

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

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

b) Restoration, rehabilitation, and environmental obligations

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

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. The Company has no restoration, rehabilitation and environmental obligations as at April 30, 2023.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

c) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12 – Income Taxes. Subsequent changes in fair values are adjusted against the cost of acquisition if they qualify as measurement period adjustments. The measurement period is the period between the date of the acquisition and the date where all significant information necessary to determine the fair values is available and cannot exceed 12 months. All other subsequent changes are recognized in the consolidated statements of comprehensive loss.

The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed including any contingently payable purchase price obligation due over time. The Company uses valuation techniques, which are generally based on forecasted future net cash flows discounted to present value. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. The determination of fair value involves making estimates relating to acquired intangibles assets, property and equipment and contingent consideration.

Acquisition related costs are recognized in the consolidated statements of comprehensive loss as incurred.

Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that can create outputs.

During the year ended April 30, 2023, the Company completed a transaction described in Note 5 and concluded that the transaction did not qualify as a business combination under IFRS 3 – Business Combinations.

d) Cash and cash equivalents

Cash and cash equivalents include bank demand deposit accounts and highly liquid short-term investments with maturities of three months or less when purchased. Cash consists of checking accounts held at financial institutions in Canada and funds held in trust which, at times, balances may exceed insured limits. The Company has not experienced any losses related to these balances, and management believes the credit risk to be minimal.

e) Income taxes

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

e) Income taxes *(continued)*

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

f) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value is transferred from warrant reserve to capital stock.

g) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

h) Share-based compensation

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

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

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

i) Flow-through shares

Current Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. The issue of flow-through shares is in substance an issue of ordinary shares and the sale of tax deductions. At the time the Company issues flow-through shares, the sale of tax deductions is deferred and presented as flow-through premium in the consolidated statements of financial position to recognize the obligation to incur and renounce eligible resource exploration and evaluation expenditures. The tax deduction is measured as the difference between the current market price of the Company's common shares and the issue price of the flow-through share. Upon incurring and renouncing eligible resource exploration and

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

i) Flow-through shares *(continued)*

evaluation expenditures, the Company recognizes the sale of tax deductions as a recovery on the statement of comprehensive loss and reduces the flow-through premium.

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

j) Impairment of non-financial assets

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

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

k) Related party transactions

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

l) Financial instruments

On initial recognition financial assets are classified as measured at:

i. Amortized cost;

ii. Fair value through other comprehensive income ("FVOCI"); and

iii. Fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction 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 are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

l) Financial instruments *(continued)*

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at amortized cost.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at FVOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of operations and comprehensive loss in the period in which it arises.

The Company's cash and cash equivalents are classified at FVTPL.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

m) Critical accounting estimates and judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

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

Judgements

Going concern
The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 2.

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

Business combinations
The Company applies judgment in determining whether the exploration and evaluation assets it acquires are considered to be asset acquisitions or business combinations. Key factors in this determination are whether reserves have been established, whether the project is capable of being managed as a business by a market participant, and the nature of the additional work to convert resources into reserves.

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

Recognition of deferred income tax assets and liabilities
The carrying amount of deferred income tax assets and liabilities is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Changes in estimates of future taxable profit can materially affect the amount of deferred income tax assets and liabilities recognized from period to period.

Impairment
Management assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of any such assets may exceed their recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company shall measure, present and disclose any resulting impairment.

(Expressed in Canadian dollars)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

m) Critical accounting estimates and judgements (continued)

Estimates

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

5. EXPLORATION AND EVALUATION ASSETS

	Acquisition costs	Exploration costs	Total
	$	$	$
Balance, April 30, 2021	1,242,500	1,141,745	2,384,245
Additions	–	126,406	126,406
Balance, April 30, 2022	1,242,500	1,268,151	2,510,651
Additions	820,538	257,126	1,077,664
Impairment	(750,000)	(11,800)	(761,800)
Balance, April 30, 2023	1,313,038	1,513,477	2,826,515

Cluster Project

On February 5, 2019, the Company entered into a mineral claim purchase agreement to purchase 100% interest in the mineral property called the Cluster Project, located in Val-D'Or, Quebec. In consideration for the Cluster Project, the Company made cash payment of $25,000 and issued 100,000 common shares to the vendor during the year ended April 30, 2019.

During the year ended April 30, 2020, the Company acquired additional claims which are incorporated in the cluster project.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (*continued*)

Cluster Project *(continued)*

As at April 30, 2023, the project is still at an early exploration stage. The Company has incurred the following acquisition and deferred exploration costs as at April 30, 2023 and 2022:

	Cluster Project
	$
Balance, April 30, 2021	1,316,745
Deferred Exploration Costs	
Exploration costs for the year	103,481
Balance, April 30, 2022	**1,420,226**
Deferred Exploration Costs	
Exploration costs for the year	257,126
Balance, April 30, 2023	**1,677,352**

McKenzie East Project

On November 12, 2019, the Company entered into a share purchase agreement to purchase 100% of the outstanding shares of Golda Resources Inc. ("Golda"). At the time of acquisition, Golda held a 100% interest in the mineral property called the McKenzie East Project, located in Quebec. As consideration, the Company issued 550,000 common shares to the owners of Golda and paid $15,000 cash to a third party consultant

As at April 30, 2023, the project is still at an early exploration stage. The Company has incurred the following exploration expenditures as at April 30, 2023 and 2022:

	McKenzie East Project
	$
Balance, April 30, 2021	317,500
Deferred Exploration Costs	
Exploration costs for the year	11,125
Balance, April 30, 2022 and 2023	**328,625**

South Rim Project

On January 13, 2020, the Company entered into a share purchase agreement to purchase 100% of the shares of Chalice Gold Exploration Corp. ("Chalice"). At the time of acquisition, Chalice held a 100% interest in the mineral property called the South Rim Project, located in British Columbia. In consideration, the Company issued 1,000,000 common shares to the owners of Chalice.

As at April 30, 2023, the Company had no future plans for exploration on the South Rim Project and subsequent to year end the Company allowed the claims to expire. Therefore, the Company fully impaired the South Rim Project at year-end.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

South Rim Project *(continued)*

	South Rim Project
	$
Balance, April 30, 2021	750,000
Exploration costs for the year	11,800
Balance, April 30, 2022	**761,800**
Deferred Exploration Costs	
Exploration costs for the year	–
Impairment	(761,800)
Balance, April 30, 2023	**–**

Pegalith Project

On February 2, 2023, the Company entered into a share purchase agreement (the "Share Purchase Agreement") with shareholders of 1394627 B.C. Ltd. ("1394627") under which the Company acquired all of 1394627's issued and outstanding common shares. 1394627 was the registered holder of 11 mineral exploration claims located in the Quebec lithium district, 25 kilometres north of Gatineau, Quebec. In exchange for the purchase of 1394627's shares, the Company paid $16,000 in cash, and issued 4,600,000 units valued at $785,331. Each unit is comprised of one common share and one share purchase warrant exercisable into one common share at an exercise price of $0.10 for a period of two years from the date of issuance.

In connection with the transaction, the Company also paid other transaction costs totalling $19,207.

The acquisition of 1394627 did not constitute a business combination, as 1394627 did not meet the definition of a business, and therefore has been accounted for as an asset purchase of mineral property interests with the Company acquiring the outstanding shares of 1394627 on February 8, 2023. The consideration for the acquisition of 1394627 has been based on the total consideration paid for the mineral property claims.

The following table summarizes the fair value of the total consideration paid and the aggregate fair value of identified assets acquired and liabilities assumed:

Purchase price	**$**
4,600,000 common shares of the Company issued	460,000
4,600,000 warrants of the Company issued	325,331
Cash paid	16,000
Transaction costs	19,207
	820,538
Net assets acquired	
Exploration and evaluation assets	820,538

The Company uses the Black-Scholes option model to calculate the fair value of warrants issued. The following assumptions were used for the Black-Scholes valuation of warrants issued to the shareholders of 1394627: Share price: $0.10, risk-free interest rate: 3.84%, expected life of warrants: 2 years, dividend rate: 0%, annualized volatility: 145%.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

6. RELATED PARTY TRANSACTIONS AND BALANCES

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

Related parties or transactions with related parties are assessed in accordance with IAS 24 "Related Party Disclosures". Transactions between related parties are generally affected on the same terms, conditions and amounts as transactions between unrelated parties.

When considering each possible related party, not only their legal status is taken into account, but also the substance of the relationship between these parties.

The Company has identified its directors and senior officers as its key management personnel.

Included in the Statements of Loss and Comprehensive Loss for the years ended April 30, 2023 and 2022 are the following amounts, which are considered related party transactions:

	2023	2022
	$	$
Management fees	240,000	280,000
Director fees	–	20,000
Consulting fees	–	388,000
Geological services from a Director	–	19,699
Investor communications	50,000	–
Stock-based compensation (Note 8)	161,250	–

As at April 30, 2023, accounts payable and accrued liabilities included a total of $Nil (2022 - $315), payable to directors, officers, and companies controlled by officers. The amount is unsecured, non-interest bearing and due on demand.

As at April 30, 2023, prepaid expenses included a total of $4,750 (2022 - $4,750) advanced to the Company's CEO and CFO.

7. PREPAID EXPENSES

Prepaid expenses are comprised of consulting fees and advances paid to the Company's officers and consultants for expenses to be incurred.

8. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value.

b) Issued and outstanding

As at April 30, 2023, the Company has 53,258,049 common shares (2022: 18,155,026) issued and outstanding. On October 18, 2022 the Company consolidated is share capital in a 10 for 1 basis. All share and per-share figures have been retroactively restated to reflect this share consolidation.

During the year ended April 30, 2023:

On May 5, 2022, the Company completed a private placement for 1,096,000 units at $0.25 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional share at $0.50 per share for a period of two years. The Company paid finders' fees of $11,360 in cash and granted 45,440 finders' warrants in connection with the private placement.

On June 16, 2022, the Company completed a private placement for 959,034 flow through units at $0.30 per unit. Each unit consists of one flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional share at $0.60 per share for a period of three years. The Company issued 26,285 shares as a finder's fee. The Company paid finders' fees of $25,771 in cash and granted 59,618 finders' warrants in connection with the private placement.

On June 16, 2022, the Company issued 383,296 common shares to settle liabilities totaling $191,648. The company recorded $30,000 as a gain on settlement of one of the liabilities.

On December 1, 2022, the Company issued 3,580,000 common shares to settle liabilities totaling $179,000. The company recorded $7,000 as a loss on settlement of one of the liabilities.

On December 2, 2022, the Company completed a private placement for 6,207,367 flow through units at $0.06 per unit. Each unit consists of one flow-through common share and one half of one share purchase warrant. Each warrant will entitle the holder to purchase an additional share at a price of $0.10 per share for a two-year term. The Company paid finders' fees of $57,200 in cash in connection with the private placement.

On December 2, 2022, the Company completed a private placement for 10,588,583 units at $0.05 per unit. Each unit consists of one common share and one half of one share purchase warrant. Each warrant will entitle the holder to purchase an additional share at a price of $0.075 per share for a two-year term. The Company paid finders' fees of $46,100 in cash in connection with the private placement.

On December 29, 2022, the Company completed a private placement for 4,390,956 flow through units at $0.06 per unit. Each unit consists of one flow-through common share and one half of one share purchase warrant. Each warrant will entitle the holder to purchase an additional share at a price of $0.10 per share for a two-year term.

On December 29, 2022, the Company completed a private placement for 1,604,835 units at $0.05 per unit. Each unit consists of one common share and one half share purchase warrant. Each whole warrant entitles the holder to purchase one additional share at $0.075 per share for a period of two years.

(Expressed in Canadian dollars)

8. SHARE CAPITAL *(continued*)

b) Issued and outstanding (continued)

On February 8, 2023, the Company issued 4,600,000 common shares pursuant to a share purchase agreement to acquire 1394627 B.C. Ltd.

On March 31, 2023, the Company completed a private placement for 1,666,667 flow through units at $0.12 per unit. Each unit consists of one flow-through common share and one half of one share purchase warrant. Each warrant entitles the holder to purchase one additional share at $0.16 per share for a period of two years. The Company paid finders' fees of $20,000 in cash and granted 166,667 finders' warrants in connection with the private placement.

During the year ended April 30, 2022:

On December 9, 2021, the Company completed a private placement for 1,525,000 units at $0.20 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase an additional share at a price of $0.50 per share for a two-year term.

On December 21, 2021, the Company completed a private placement for 650,000 units at $0.40 per unit. Each unit consists of one flow-through common share and one share purchase warrant. Each warrant will entitle the holder to purchase an additional share at a price of $0.50 per share for a two-year term. The company paid finder fees of $20,000 in cash and granted 50,000 warrants to various broker in connection with private placement value at $9,631.

On January 31, 2022, the Company issued 145,000 common shares to settle debt totaling $72,500. The fair value of the common shares issued was determined to be $43,500 and accordingly, the company recorded $29,000 as a gain on settlement of debt.

c) Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2021	**6,871,226**	**$1.10**
Issued	2,225,000	$0.50
Expired	(1,351,442)	$0.90
Balance, April 30, 2022	**7,744,784**	**$0.80**
Granted	19,253,248	$0.15
Expired	(546,090)	$1.00
Balance April 30, 2023	**26,451,942**	**$0.31**

(Expressed in Canadian dollars)

8) SHARE CAPITAL (*continued)*

c) Warrants (continued)

A summary of warrants outstanding at April 30, 2023 is as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants issued and exercisable
August 13, 2025	2.29	$0.80	326,162
September 23, 2025	2.40	$1.00	4,248,781
November 9, 2023	0.53	$1.00	398,750
December 9, 2023	0.61	$0.50	1,525,000
December 21, 2023	0.64	$0.450	700,000
May 5, 2024	1.02	$0.50	1,141,440
June 16, 2025	2.13	$0.60	1,044,936
December 2, 2024	1.59	$0.075	5,365,292
December 2, 2024	1.59	$0.10	3,103,684
December 29, 2024	1.67	$0.075	802,418
December 29, 2024	1.67	$0.10	2,195,478
February 8, 2025	1.78	$0.10	4,600,000
March 31, 2025	1.92	$0.16	1,000,001
			26,451,942

The weighted average remaining contractual life of the warrants is 1.68 years.

During the year ended April 30, 2023, the Company issued a total of 271,725 agent warrants (2022 – 50,000) related to private placements. The agent warrants are exercisable between $0.16 and $0.60 per share and are exercisable for a period of two years from the date of issue.

The Company uses the Black-Scholes option model to calculate the fair value of warrants issued to finders and brokers. The following assumptions were used for the Black-Scholes valuation of warrants issued to finders and brokers for the years ended April 30, 2023 and 2022:

The following assumptions were used for the Black-Scholes valuation of warrants issued to finders:

	2023	**2022**
Share price	$0.16 - $0.60	$0.03
Risk – free interest rate	2.69% - 3.64%	0.98%
Expected life of warrants	2 years	2 years
Dividend rate	0%	0%
Annualized volatility	150.3% - 232.4%	152%

The fair value per agent’s warrant issued is $0.10 (2022 - $0.02).

(Expressed in Canadian dollars)

8) SHARE CAPITAL (*continued)*

d) Options

The changes in options during the years ended April 30, 2023 and 2022 are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2021	**986,216**	**$0.70**
Expired	(301,216)	$1.00
Balance April 30, 2022	**685,000**	**$0.70**
Granted	5,124,999	$0.07
Expired	(685,000)	$0.70
Balance April 30, 2023	**5,124,999**	**$0.07**

A summary of options outstanding at April 30, 2023 is as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Options Issued and Exercisable
November 25, 2024	1.58	$0.070	1,950,000
February 21, 2025	1.82	$0.075	3,174,999
	1.72	$0.073	5,124,999

During the period ended April 30, 2023, the Company issued a total of 5,124,999 options to Consultants, Directors and Officers. The options are exercisable at prices ranging from $0.07 to $0.075, expire on November 25, 2024 and February 21, 2025 and vested immediately upon grant. The weighted average remaining contractual life of the options is 1.72 years.

The following assumptions were used for the Black-Scholes valuation of options issued:

	2023	**2022**
Share price	$0.07 - $0.075	-
Risk – free interest rate	3.81% - 4.12%	-
Expected life of warrants	2 years	-
Dividend rate	0%	-
Annualized volatility	221.6%-225.3%	-

The fair value per option issued is $0.073.

For the period ended April 30, 2023, the Company recognized stock-based compensation of $333,823 relating to stock options granted.

(Expressed in Canadian dollars)

9. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended April 30, 2023 was based on the loss attributable to common shareholders of $3,135,931 (2022: $2,077,158) and the weighted average number of common shares outstanding of 31,926,394 (2022: 16,695,177).

10. CAPITAL MANAGEMENT

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

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the year ended April 30, 2023. The Company is not subject to external restrictions on its capital.

11. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% to income before income taxes. A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2023	2022
Combined statutory rate	27%	27%
	$	$
Expected income tax recovery	(846,700)	(560,800)
Permanent differences and other	346,600	452,000
Benefit of tax losses not recognized	500,100	108,800
	-	-

The significant components of the Company's deferred tax assets that have not been set up are as follows:

	2023	2022
	$	$
Exploration and evaluation assets (liabilities)	(627,300)	(441,700)
Other deferred tax assets	105,000	78,000
Non-capital losses carried forwards	3,015,700	2,357,000
Net deferred income tax assets not recognized	2,493,400	1,993,300

(Expressed in Canadian dollars)

11. INCOME TAXES *(continued)* to be updated

No 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.

As at April 30, 2023, the Company has available for deduction against future taxable income non-capital losses of approximately $11,066,000 (2022 - $8,968,000). These non-capital losses expire as follows:

Expiry Date	$
2037	149,000
2038	388,000
2039	1,043,000
2040	2,228,000
2041	2,689,000
2042	2,471,000
2043	2,098,000
	11,066,000

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair Values

The Company's financial instruments consist of cash and cash equivalents and accounts payable. The fair values of cash and cash equivalents and accounts payable approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments as at April 30, 2023:

	Fair value		**Carrying value**
FVTPL (i)	53,557	$	53,557
Amortized cost (ii)	158,749	$	158,749

(i) Cash and cash equivalents
(ii) Accounts payable

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

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

(Expressed in Canadian dollars)

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK *(continued)*

Fair Values (continued)

The following table sets forth the Company's financial assets measured at fair value as at April 30, 2023 by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 53,557	$ –	$ –	$53,557

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of April 30, 2023 equal $158,749. All the liabilities presented as accounts payable are due on demand. The Company intends to finance its operations over the next twelve months with loans from directors and companies controlled by directors and share private placements.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

As at April 30, 2023, the Company is not exposed to significant market risk.

13. COMMITMENTS

During the year ended April 30, 2023, the Company issued flow-through common shares for gross proceeds of $1,123,608 (2022 - $260,000). Expenditures related to the use of flow-through share proceeds are not available as a tax deduction to the Company as the tax benefits of these expenditures are renounced to the investors. As at April 30, 2023, the Company had $630,470 (2022 - $133,594) in unspent flow-through funds. The Company is required to incur $430,470 and $200,000 of these expenditures before December 31, 2022 and 2023, respectively under the general rule and before December 31, 2023 and 2024, respectively under the look-back rule.

14. FLOW-THROUGH PREMIUM

During the year ended April 30, 2023, the Company issued flow-through units and recognized a non-cash deferred flow-through premium liability of $104,322 (2022 - $65,000) as the difference between the fair value of the amounts recognized as equity and the amounts paid by investors. During the year ended April 30, 2023, the Company recognized $53,989 (2022 - $31,600) as recovery of the deferred flow-through premium liability as other income based on the amount of eligible expenditures incurred. As at April 30, 2023, the remaining unrealized flow-through premium was $83,733 (2022 - $33,400).

15. SUBSEQUENT EVENT

The Company acquired 100% of the issued and outstanding shares of 1412814 B.C. Ltd. which owns 101 claims in the Pontax River Area of James Bay Regin of Quebec. As consideration, the Company issued 5,800,000 common shares of the Company to the shareholders of 1412814 B.C. Ltd. Management has preliminarily concluded that the acquisition of 1412814 B.C. Ltd. does not constitute a business combination as 1412814 B.C. Ltd. does not meet the definition of a business.