ETRUSCUS RESOURCES CORP.

Financial Statements

For the years ended March 31, 2024 and 2023

(Expressed in Canadian Dollars)

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(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Etruscus Resources Corp

Opinion

We have audited the financial statements of Etruscus Resources Corp. (the "Company") which comprise:

- the statements of financial position as at March 31, 2024 and 2023;
- the statements of operations and comprehensive loss for the years then ended;
- the statements of changes in equity for the years then ended;
- the statements of cash flows for the years then ended, and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

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 IFRS Accounting 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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 March 31, 2024. 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, 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 IFRS Accounting 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.

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 Michael Ryan Ayre.

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia, July 26, 2024

ETRUSCUS RESOURCES CORP.

Statements of Financial Position

As at March 31, 2024 and 2023

(Expressed in Canadian Dollars)

	2024	*2023*
ASSETS		
Current assets		
Cash and cash equivalents	**$ 73,106**	$ 101,050
Receivables *(Note 3)*	**118,903**	5,855
Prepaid expenses *(Note 4)*	**6,395**	29,500
Total current assets	**198,404**	136,405
Exploration and evaluation assets (*Note 5*)	**5,150,115**	4,765,644
Reclamation deposit	**24,900**	24,900
Equipment *(Note 6)*	**1,226**	1,840
Right-of-use assets *(Note 6)*	**22,188**	39,944
Total assets	**$ 5,396,833**	$ 4,968,733
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities *(Note 7)*	**$ 85,876**	$ 78,371
Due to related parties *(Note 9)*	**110,182**	117,329
Lease liability *(Note 7)*	**19,341**	17,029
Flow-through share premium liability *(Note 8)*	**6,915**	-
Total current liabilities	**222,314**	212,729
Lease liability *(Note 7)*	**5,188**	24,529
Total liabilities	**227,502**	237,258
EQUITY		
Share capital *(Note 8)*	**8,192,190**	7,131,186
Equity reserves	**778,112**	769,645
Share subscriptions	**-**	90,000
Deficit	**(3,800,971)**	(3,259,356)
Total equity	**5,169,331**	4,731,475
Total liabilities and equity	**$ 5,396,833**	$ 4,968,733

Nature of Operations and Going Concern *(Note 1)*
Event After the Reporting Period (*Note 14*)

Approved and authorized for issuance on behalf of the Board on July 26, 2024.

Michael Sikich *Director*

Fiore Aliperti *Director*

The accompanying notes are an integral part of these financial statements

ETRUSCUS RESOURCES CORP.

Statements of Operations and Comprehensive Loss

For the years ended March 31, 2024 and 2023

(Expressed in Canadian Dollars)

	2024	*2023*
Operating Expenses:		
Communications	**$ 74,964**	$ 29,382
Consulting fees (*Note 9*)	**258,650**	268,600
Depreciation (*Notes 6 & 7)*	**18,370**	19,531
Office and general	**31,634**	40,357
Professional fees	**55,528**	45,473
Regulatory and transfer agent fees	**26,294**	30,571
Rent	**17,838**	17,487
Share-based compensation (*Note 8*)	**520**	49,771
Travel	**3,434**	1,181
Total operating expenses	**(487,232)**	(502,353)
Other items:		
Interest income	**2,062**	3,727
Accretion of lease liability discount	**(3,221)**	(3,517)
Other income from settlement of flow-through share premium liability *(Note 8)*	**58,868**	46,506
Write-down of exploration and evaluation assets *(Note 5)*	**(112,092)**	-
Net loss and comprehensive loss for the year	**$ (541,615)**	$ (455,637)
Basic and diluted loss per common share	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding:		
Basic and diluted	**44,213,897**	37,809,567

The accompanying notes are an integral part of these financial statements

ETRUSCUS RESOURCES CORP.

Statements of Changes in Equity

For the years ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

	Share Capital					
	Number of Shares	*Amount*	*Equity Reserves*	*Share Subscriptions*	*Deficit*	*Total Equity*
Balance at March 31, 2022	**37,386,622**	**$ 7,087,436**	**$ 719,874**	**$ -**	**$ (2,803,719)**	**$ 5,003,591**
Shares issued for property	625,000	43,750	-	-	-	43,750
Private placement subscriptions	-	-	-	90,000	-	90,000
Share-based compensation	-	-	49,771	-	-	49,771
Loss for the year	-	-	-	-	(455,637)	(455,637)
Balance at March 31, 2023	**38,011,622**	**$ 7,131,186**	**$ 769,645**	**$ 90,000**	**$ (3,259,356)**	**$ 4,731,475**
Shares issued for cash- private placements *(Note 8)*	9,423,739	1,079,344	-	(90,000)	-	989,344
Share issuance costs	-	(30,557)	7,947	-	-	(22,610)
Flow-through share premium liability	-	(65,783)	-	-	-	(65,783)
Shares issued for property *(Notes 5,8(b))*	650,000	78,000	-	-	-	78,000
Share-based compensation	-	-	520	-	-	520
Loss for the year	-	-	-	-	(541,615)	(541,615)
Balance at March 31, 2024	**48,085,361**	**$ 8,192,190**	**$ 778,112**	**$ -**	**$ (3,800,971)**	**$ 5,169,331**

The accompanying notes are an integral part of these financial statements

ETRUSCUS RESOURCES CORP.

Statements of Cash Flows

For the years ended March 31, 2024 and 2023

(Expressed in Canadian Dollars)

	2024	*2023*
Cash flows provided by (used in) operating activities		
Loss for the year	**$ (541,615)**	$ (455,637)
Add-back non-cash items:		
Depreciation	**18,370**	19,531
Share-based compensation	**520**	49,771
Accretion of lease liability discount	**3,221**	3,517
Other income from settlement of flow-through share premium liability	**(58,868)**	(46,506)
Write-down of exploration and evaluation assets	**112,092**	-
Changes in non-cash working capital items:		
Receivables	**1,952**	13,091
Prepaid expenses	**(1,895)**	61,835
Accounts payable and accrued liabilities	**(8,484)**	36,136
Due to related parties	**35,129**	68,653
Net cash used in operating activities	**(439,578)**	(249,609)
Cash flows provided by (used in) investing activities		
Investment in exploration and evaluation assets	**(593,566)**	(873,176)
Provincial exploration tax credits received	**58,716**	1,435
Net cash used in investing activities	**(534,850)**	(871,741)
Cash flows provided by (used in) financing activities		
Shares issued for cash	**989,344**	**-**
Share issuance costs	**(22,610)**	**-**
Share subscriptions- private placement	**-**	90,000
Lease payments	**(20,250)**	(20,250)
Net cash provided by financing activities	**946,484**	69,750
Change in cash and cash equivalents during the year	**(27,944)**	(1,051,600)
Cash and cash equivalents, beginning of year	**101,050**	1,152,650
Cash and cash equivalents, end of year	**$ 73,106**	$ 101,050

Cash and cash equivalents consist of:		
Bank deposits	**$ 73,106**	$ 101,050

Supplemental Disclosure with Respect to Cash Flows *(Note 12)*

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Etruscus Resources Corp. (“the Company”) was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017. The Company’s registered office is located at Suite #1400 - 1125 Howe St., Vancouver, British Columbia, V6Z 2K8, and its operating office is located at Suite #604 - 850 West Hastings St., Vancouver, British Columbia V6C 1E1. The Company’s common shares are listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “ETR”.

The Company is engaged in the exploration and evaluation of mineral properties and has not yet determined whether any of its properties contain economically recoverable reserves. To date, the Company has not earned any operating revenues and is in the exploration stage. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interests.

These financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, at March 31, 2024 the Company has incurred an accumulated deficit since its inception of $3,800,971 and has a working capital deficiency of $23,910. The ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to ultimately develop profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

Since incorporation on July 1, 2017, the Company raised equity financing from investors to provide for its early-stage exploration and working capital needs. The Company expects to undertake additional fundraising over the ensuing year, likely through private placements but the Company may also consider convertible debentures, third party earn-ins or joint ventures using debt or equity financing structures, to ensure the continuation of Company’s exploration activities. To the extent future financing is not available, future working capital commitments may not be satisfied and future exploration programs would face curtailment and could result in a loss of property ownership or earning opportunities for the Company.

There can be no assurance that the Company will be able to raise the funds necessary to continue future operations beyond 2024. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of presentation

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and are presented in Canadian dollars which is the financial currency of the Company.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents consists of short-term highly liquid investments which are fully redeemable at any time, with original maturities of three months to nine-months, readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. As at March 31, 2024 and 2023, the Company did not hold any cash equivalents.

Receivables

Receivables are recorded at face value less any provisions for uncollectible accounts. For the years ended March 31, 2024 and 2023, the Company did not record any provisions for uncollectable accounts.

Equipment

Equipment is recorded at historical cost less accumulated depreciation and impairment charges, and is depreciated using the declining balance basis over the estimated useful lives of the individual assets. The Company provides for depreciation computed under the declining balance method for computers and software at 55% per annum and furniture and fixtures at 30% per annum.

The Company's equipment is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the asset's recoverable amount is estimated. Impairment losses are recognized in profit or loss. An impairment loss is reversed if there is an 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.

The cost of replacing part of equipment is recognized in the carrying amount of the equipment if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of the equipment are recognized in profit or loss as incurred.

2. MATERIAL ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including pre-exploration costs related to other properties, including general administrative overhead costs, are expensed in the period in which they occur.

Tax credits may be received from a provincial government in relation to exploration done in that province. The accounting for tax credits follows the accounting for government grants, whereby the amount is charged against the capitalized exploration and evaluation costs and recognized as a recovery. Tax credits are recognized when received, or are accrued as a receivable when there is reasonable assurance that the credit will be received. Historically, the Company has received both the BC Mineral Exploration Tax Credit and the Junior Exploration Assistance Program tax credits from Newfoundland.

The Company may occasionally enter into arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transferee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of operations and comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction."

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites. The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

As at March 31, 2024, the Company does not have any known significant or material rehabilitation obligations.

2. MATERIAL ACCOUNTING POLICIES (continued)

<u>Share capital</u>

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

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants, in situations where warrants are issued as a component of the units. Any fair value attributed to the warrants is recorded as equity reserves. As at March 31, 2024, the Company had not attributed any value to the warrants issued as a part of the units subscribed under private placements, using the residual value method.

<u>Flow-through shares</u>

The Company may, from time to time, issue flow-through common shares to finance a portion of its exploration programs. Pursuant to the terms of flow-through share agreements, the tax deductibility of qualifying resource expenditures is transferred 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 expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income on settlement of flow-through share premium liability and the related deferred tax is recognized as a tax provision.

The Company is obliged to apply the amount of flow-through proceeds received from the issuance of flow-through shares or units only towards Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as an expense until paid.

<u>Leases</u>

At inception, the Company assesses whether a contract is or contains a lease. The assessment involves the exercise of judgment about what constitutes a lease, whether the lease depends on a specified asset, whether the Company obtains substantially all the economic benefits for the use of that asset during the lease term, whether the Company has the right to direct the use of the asset, and the likelihood of exercising a lease extension option, if applicable. Lease payments may include fixed and variable components, but variable payments are generally excluded.

The Company recognized a right-of-use (“ROU”) asset and a lease liability at the commencement of the lease. The lease liability recognized upon lease inception represents the present value of the net remaining lease payments, discounted at an interest rate otherwise required if the asset was acquired through a financing arrangement, using the effective interest method. The ROU assets are depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU assets are subject to testing for impairment if there is an indicator for impairment.

2. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

When a company subleases a ROU asset, it classifies the sublease as an operating lease if the head lease is a short-term lease; otherwise, the sublease is classified as a finance lease. The lessor derecognizes the ROU asset pertaining to the head lease that it transfers to the sublessee at the sublease commencement date but continues to account for the original lease liability. The sublessor recognizes a net investment in sublease and evaluates it for impairment and may use the discount rate in the head lease to measure the net investment in sublease. The Company recognizes finance income on the net investment in the lease, and also records income relating to variable lease payments not included in the measurement of the net investment in the lease.

IFRS 9 - Financial instruments

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss.

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

i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
ii) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). Any fair value changes attributable to changes in credit risk for liabilities designated at fair value through profit and loss are recorded in other comprehensive income and any fair value change in excess of the amount attributable to changes in credit risk is recognized in profit and loss.

The Company has implemented the following classifications for financial instruments:

The Company's financial instruments consist of cash and cash equivalents, reclamation deposits, accounts payable, lease liability and due to related parties. Cash and cash equivalents and reclamation deposit are classified as fair value through profit or loss on a recurring basis and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur. Financial liabilities comprise accounts payable, lease liability and amounts due to related parties which are classified at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss, as applicable.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial instruments

IFRS 9 has a three-stage expected credit loss model for calculating impairment of financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is evaluated at the cash generating unit ("CGU") level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount of the CGU is the greater of fair value less costs to sell and value in use. Fair value less costs to sell 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 the 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based payments

The Company may, from time to time, grant stock options to purchase common shares of the Company to directors, officers, employees and consultants. The fair value of the stock options is recognized as an expense with a corresponding increase in equity over the vesting period on a graded basis. When options are exercised the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded as equity reserves are transferred to share capital.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. If and when vested options are not exercised as of the expiry date, the amount previously recognized in equity reserves is transferred to deficit.

In situations where equity instruments are issued to non-employees and some or all the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

2. MATERIAL ACCOUNTING POLICIES (continued)

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

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. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recorded.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. In periods where a loss is reported, diluted loss per share is the same as basic loss per share as the effects of potentially dilutive common shares would be anti-dilutive.

Use of estimates and significant judgments

In preparing these financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and judgements 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 results may differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss 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.

2. MATERIAL ACCOUNTING POLICIES (continued)

Use of estimates and significant judgments (continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, 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:

a) The Company capitalizes its exploration and evaluation costs on the statement of financial position. The recoverability of the carrying value requires assumptions and judgements as does the verification of property title. The Company takes steps to verify title to exploration and evaluation assets in which it has an interest, but these procedures do not guarantee the Company's title. Properties may be subject to prior agreements or transfers and title may be affected by undetected defects;

b) The Company uses the Black-Scholes valuation model to determine the fair value of stock option grants and certain warrants issued under private placements. The inputs used in the model require estimates of the fair value of the shares, expected life of options, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. These estimates impact share-based compensation expense in the profit or loss and share capital and shareholder's equity on statements of financial position;

c) The values of right-of-use assets and lease liabilities require judgements to determine the lease term, the likelihood of an extension option being exercised and the incremental borrowing rate. Such judgements, estimates and assumptions affect the present value of the lease liabilities, the value of the right-of-use assets, the value of the net investment in sublease and the amounts recognized in profit or loss, including depreciation, rent expense, finance expense and finance income;

d) Significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made;

e) The Company raises financing by issuing equity comprised of flow-through shares and/or non-flow-through shares. When flow-through shares are issued, a flow-through premium liability is recognized and that recognition requires estimations of the fair value of the non-flow-though and flow-through shares; and

f) The assumption that the Company is a going concern and will continue operating for the foreseeable future, being one year, is a judgment.

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

New accounting standards

New policies that were adopted on April 1, 2023 or thereafter are as follows:

IAS 1 includes amendments requiring companies to disclose their material accounting policies instead of their significant accounting policies and clarifies the disclosure of material and immaterial transactions.

IAS 8 clarifies changes in accounting policies (which are applied retrospectively) from changes in accounting estimates (which are applied prospectively).

IAS 12 Income taxes clarify the treatment of deferred income taxes on leases and decommissioning obligations.

There were no material impacts to the Company from the adoption in April 2023 of the above noted accounting standards.

The following amendments will be in effect for the annual reporting periods beginning on April 1, 2024:

Presentation of financial statements:

An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2024. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least twelve months after the reporting period.

The Company anticipates that this amendment will not have a material impact on the results of operations and financial position of the Company.

3. RECEIVABLES

	2024	2023
Recoverable sales taxes	**$ 3,903**	$ 5,855
Newfoundland – exploration tax credits	**115,000**	-
Total receivables	**$ 118,903**	$ 5,855

4. PREPAID EXPENSES

The deposits and prepaid expenses of the Company consist of the following:

	2024	2023
Advances on exploration subcontractors	**$ -**	$ 25,000
Prepaid advertising	**2,083**	-
Prepaid insurance	**4,312**	4,500
	$ 6,395	$ 29,500

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – Mineral Properties

	Lewis Property	*Rock & Roll Property*	*Sugar Property*	*Total*
Balance, March 31, 2022	$ 548,052	$ 3,108,613	$ 123,301	$ 3,779,966
Additions:				
Acquisition costs	193,750	9,770	-	203,520
Accommodation and camp costs	-	82,925	-	82,925
Assays and laboratory analysis	84	7,308	-	7,392
Community relations	-	20,000	-	20,000
Field expenses	-	879	-	879
Geological and geophysical consulting	91,165	96,960	-	188,125
Helicopters and aircraft support	-	126,349	-	126,349
Licenses, claim fees and permits	1,793	20,730	-	22,523
Surveying	222,313	113,087	-	335,400
Less: Recoveries: tax credits	-	(1,435)	-	(1,435)
Subtotal- net additions	509,105	476,573	-	985,678
Balance, March 31, 2023	$ 1,057,157	$ 3,585,186	$ 123,301	$ 4,765,644
Additions:				
Acquisition costs	228,000	20,510	-	248,510
Accommodation and camp costs	17,708	-	-	17,708
Assays and laboratory analysis	29,462	-	-	29,462
Drilling	193,887	-	-	193,887
Field expenses	4,818	-	-	4,818
Geological and geophysical consulting	105,735	39,699	-	145,434
Licenses, claim fees and permits	1,831	28,629	-	30,460
Less: Recoveries: tax credits	(149,968)	(23,748)	-	(173,716)
Less: Write-downs	-	-	(112,092)	(112,092)
Transfer remaining Sugar claim to R&R	-	11,209	(11,209)	-
Subtotal- net additions (reductions)	431,473	76,299	(123,301)	384,471
Balance, March 31, 2024	$1,488,630	$ 3,661,485	$ -	$ 5,150,115

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – Mineral Properties (continued)

Lewis Gold Property, Newfoundland, Canada

On July 20, 2021, the Company announced it had received an option (the "Lewis Option Agreement") to earn a 100% interest in the Lewis Gold Property (the "Lewis Property") in central Newfoundland from the vendors, a group of three parties independent to the Company. The Lewis Property consists of two claim blocks in the heart of the Peyton Linear gold trend: the Peyton South claims and the Linear claims. Together, the Lewis Property totals 25.67 square kilometers (2,567 Hectares ("Ha")) and establishes the Company in a key location within central Newfoundland's highly active exploration region. Each claim block carries a two percent (2%) Net Smelter Returns royalty, subject to the purchase of one percent (1%) for $2,000,000 on or before commercial production.

The Lewis Option Agreement requires aggregate staged payments each year over a four-year period as follows:

Date	Cash	Shares
Acceptance Date	$110,000 (paid)	500,000 (issued)
First Anniversary	$150,000 (paid)	625,000 (issued)
Second Anniversary	$150,000 (paid)	650,000 (issued)
Third Anniversary	$195,000	650,000
Fourth Anniversary	$265,000	675,000
Total	$870,000	3,100,000

Subsequent to March 31, 2024, the Company elected to terminate the Lewis Option Agreement. *Note 14.*

Rock & Roll Property, Liard Mining Division, Northwest British Columbia, Canada

The Rock & Roll Property (the "Property") consists of fifty-eight (58) contiguous mineral claims totaling 29,344 Ha situated in the Liard Mining Division of British Columbia, in the Iskut River Valley of the Coast Mountains in northwestern British Columbia.

In 2018, the Company acquired the first 14 claims totalling 4,723 Ha from Equity Exploration Consultants Ltd. ("Equity"), for $50,000 cash and 800,000 common shares of the Company at a value of $0.10 per share, for a total initial acquisition cost of $130,000. Those claims are subject to a 2% net smelter return ("NSR") royalty, held by a group of six parties (the "Royalty Holders"). The Company received an option to purchase one-half of the 2% NSR (the "NSR Buyout Option") for a future payment of $2,000,000 to the Royalty Holders within 30 days of the commencement of commercial production or December 31, 2030, whichever comes earlier. The Company then staked additional claims between 2018 and 2024 such that the property now consists of 58 claims. During the year ended March 31, 2024, a total of 17 claims were staked, 6 claims were restaked into 4 claims, and one claim previously part of the Sugar Property was combined into Rock & Roll, for a net increase of 16 claims. The Sugar claim was combined into Rock & Roll due to it being contiguous to those claims.

Equity has notified the Company that there may be unregistered royalties on the Property in favour of Prime Equities International Corporation, in relation to the original 14 claims. To the Company's best information and belief, such royalties (i) are not evidenced by any completed legal instrument and (ii) have not been the subject of any notice or claim to Equity asserting such royalties. The Company has agreed to indemnify Equity against all costs, charges, and expenses, including any amount paid to settle a threatened or an actual action or to satisfy a judgment, reasonably incurred by Equity in the event that such possible royalties are validated as existing legal obligations binding on the Property.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – Mineral Properties (continued)

Sugar Property - Liard Mining Division, Northwest British Columbia, Canada

The 11 claims originally staked during the year ended March 31, 2020 were known as the Sugar Property ("Sugar"), located approximately 7 km northwest of the Company's Rock & Roll Property and 25 km southwest of the Galore Creek deposit. During the year ended March 31, 2024, the Company allowed 10 of the 11 Sugar claims to lapse, and accordingly wrote down a proportionate amount of $112,092 of the capitalized exploration and evaluation costs. The capitalized amount of the remaining claim was $11,209, and has been combined into the Rock & Roll property due to it being contiguous to Rock & Roll.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties, and, to the best of its knowledge, titles are in good standing.

6. EQUIPMENT AND RIGHT-OF-USE ASSETS

Equipment:

	Computers and software	*Furniture and fixtures*	Total
Cost:			
Balance, March 31, 2022, 2023 and 2024	$ 4,938	$ 8,938	$ 13,876
Accumulated depreciation:			
Balance, March 31, 2022	$ 4,738	$ 6,438	$ 11,176
Depreciation for year	110	750	860
Balance, March 31, 2023	4,848	7,188	12,036
Depreciation for year	90	524	614
Balance, March 31, 2024	$ 4,938	$ 7,712	$ 12,650
Net book value - March 31, 2023	$ 90	$ 1,750	$ 1,840
Net book value – March 31, 2024	**$ -**	**1,226**	**$ 1,226**

(Expressed in Canadian Dollars)

6. EQUIPMENT AND RIGHT-OF-USE ASSETS

Right-of-use assets:

	Right-of-use assets
Cost:	
Balance, March 31, 2022	$ 60,827
Additions during the year	53,262
Maturity of lease	(60,827)
Balance, March 31, 2023 and 2024	$ 53,262
Accumulated depreciation:	
Balance, March 31, 2022	$ 55,474
Depreciation for year	18,671
Maturity of lease	(60,827)
Balance, March 31, 2023	13,318
Depreciation for year	17,756
Balance, March 31, 2024	$ 31,074
Net book value - March 31, 2023	$ 39,944
Net book value – March 31, 2024	**$ 22,188**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY

a) Accounts payable and accrued liabilities for the Company are comprised as follows:

	2024	2023
Accounts payable	**$ 55,876**	$ 35,871
Accrued liabilities	**30,000**	42,500
	$ 85,876	$ 78,371

(Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY (continued)

b) Lease liability:

On July 1, 2022, the Company entered into a premises sublease renewal for a three-year period, with terms following those of the head lease. The lessor is Metallis Resources Inc. ("MTS"), a public company related by two common directors and a common officer. The sublease is for ½ of the space leased by MTS for fixed monthly lease payments of $1,688 per month for the first two years (same as prior sublease) and $1,744 per month for the third year.

The following tables summarize the lease liability recognized in the financial statements:

Lease liability:	**Lease term: 7/1/19 – 6/30/22**	**Lease term: 7/1/22 – 6/30/25**	**Total**
Balance, March 31, 2022	$ 5,029	$ -	$ 5,029
Additions	-	53,262	53,262
Lease payments	(5,062)	(15,188)	(20,250)
Accretion of lease liability discount	33	3,484	3,517
Balance, March 31, 2023	-	41,558	41,558
Lease payments	-	(20,250)	(20,250)
Accretion of lease liability discount	-	3,221	3,221
Balance, March 31, 2024	**$ -**	**$ 24,529**	**$ 24,529**

Current portion	**$ 19,341**
Long-term portion	**5,188**
Balance as at March 31, 2024	**$ 24,529**

At March 31, 2024, future lease payments, including variable costs not subject to IFRS 16, are as follows:

Year ended March 31, 2025	$ 37,820
Year ended March 31, 2026	9,497
	$ 47,317

(Expressed in Canadian Dollars)

8. SHARE CAPITAL

Authorized: Unlimited number of common shares, without par value.
Issued: 48,085,361 common shares (2023 - 38,011,622 common shares).

Transactions for the year ended March 31, 2024:

a) In April and June 2023, the Company completed private placements of $879,344 consisting of 2,192,779 flow-through units and 3,230,960 non-flow-through units priced at $0.18 and $0.15 per unit, respectively. Flow through units consist of one flow-through common share and ½ of one non-flow-through, non-transferable share purchase warrant, with each full warrant exercisable at $0.27 per share for a two-year period. Non-flow-through units consist of one common share and ½ of one non-flow-through, non-transferable share purchase warrant, with each full warrant exercisable at $0.22 per share for a two-year period. Finders' fees of $22,610 were paid to qualified finders and 133,777 finders' warrants were issued, with each finder's warrant exercisable into one common share for a two-year period at a price of $0.165 per share. Related parties (Note 9) participated in the financing for a total of $115,000 or 766,666 shares. Flow-through funds are required to be used for qualifying Canadian exploration expenditures.

b) In July 2023, the Company issued 650,000 common shares to the vendors of the Lewis Property pursuant to the Lewis Option Agreement. The shares were issued at a fair value of $0.12 per share, for total share compensation valued at $78,000.

c) In January 2024, the Company closed a $200,000 private placement of 4,000,000 common shares at a price of $0.05 per share. No warrants were issued and no finders' fees were incurred. Related parties (Note 9) subscribed for $57,500 or 1,150,000 shares.

Transactions for the year ended March 31, 2023:

d) In July 2022, the Company issued 625,000 common shares to the vendors of the Lewis Property pursuant to the Lewis Option Agreement. The shares were issued at a fair value of $0.07 per share, for total share compensation valued at $43,750.

e) Share subscriptions of $90,000 were received as at March 31, 2023 related to the private placement referred to in Note 8(a).

Flow-through share premium liability:

Company's issuance of flow-through common shares as described above resulted in flow-through share premium liabilities which are reduced pro-rata by the incurrence of qualifying exploration expenses:

Changes in Flow-through premium liability:	March 31, 2024	March 31, 2023
Balance, beginning of year	$ -	$ 46,506
Liability incurred on flow-through shares issued	65,783	-
Amortization of flow-through premium upon incurring eligible expenditures	(58,868)	(46,506)
Balance, end of year	$ 6,915	$ -

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Stock options:

Company's Annual and Special Meeting ("ASM") on November 21, 2023, the shareholders approved the Amended and Restated Stock Option Plan ("SOP") under which the Company is authorized to grant stock options to executive officers and directors, employees and consultants. The exercise price of each stock option granted shall not be less than the discounted market price as calculated and defined in the policies of the CSE. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant. However, stock options granted to employees or consultants in respect of investor relations activities follow the vesting provisions whereby no more than 25% of the grant vests each three months, measured from the date of grant.

During the year ended March 31, 2024, the Company granted 11,111 stock options to a consultant. The options are exercisable at $0.15 per share for a two-year period. Share-based compensation of $520 was recorded.

During the year ended March 31, 2023, the Company granted a total of 1,550,000 stock options exercisable at $0.15 per share for a five-year period, none of which were to investor relations consultants and all of which vested upon grant. Directors and officers received 675,000 of those stock options.

The following parameters were used for valuing stock option grants:

	Year ended March 31, 2024	Year ended March 31, 2023
Weighted average assumptions:		
Weighted average fair value at grant date	$ 0.05	$ 0.04
Risk-free interest rate	4.72%	3.39%
Expected dividend yield	-	-
Expected option life (years)	2.0	5.0
Expected stock price volatility	90%	80%
Expected forfeiture rate	-	-

Number of stock options outstanding:	Number of Stock options	Weighted average exercise price
Balance at March 31, 2022	2,275,000	$ 0.28
Options granted	1,550,000	0.15
Options terminated	(100,000)	0.25
Balance at March 31, 2023	3,725,000	0.23
Options granted	11,111	0.165
Options terminated	(125,000)	0.23
Options expired	(1,260,000)	0.25
Balance at March 31, 2024	2,351,111	$ 0.21

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Stock options: (continued)

The following table shows outstanding and vested stock options as at March 31, 2024:

Expiry Date	Number of outstanding stock options	Number of vested stock options	Exercise price ($)	Weighted average remaining contractual life (years)
February 27, 2025	60,000	60,000	0.25	0.91
May 25, 2025	230,000	230,000	0.25	1.15
July 11, 2025	11,111	11,111	0.165	1.28
September 21, 2025	575,000	575,000	0.36	1.48
October 26, 2027	1,475,000	1,475,000	0.15	3.57
Total outstanding options	2,351,111	2,351,111		2.74

Restricted Share Units:

At the ASM, the shareholders also approved the Restricted Share Unit Plan under which the Board may grant restricted share units ("RSUs") to directors, officers and employees. RSUs are subject to vesting requirements of up to three years but can be settled by issuing shares from treasury or disbursing cash. RSUs provide a means to earn compensation though an equity plan without making a stock option exercise payment. As at March 31, 2024, no RSU's had been granted.

At no time may the combined total of stock options and RSUs exceed 10% of the outstanding common shares.

Warrants:

Through unit offerings that completed, the Company has issued warrants in addition to shares. Warrant transactions are summarized as follows:

Schedule of changes in share purchase warrants:	Number of warrants	Weighted average exercise price
Balance at March 31, 2022	11,062,671	$ 0.44
Warrants expired	(2,218,625)	0.42
Balance at March 31, 2023	8,844,046	0.45
Warrants issued	2,845,646	0.24
Warrants expired	(8,844,046)	0.45
Balance at March 31, 2024	2,845,646	$ 0.24

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Warrants: (continued)

As at March 31, 2024, the following warrants are outstanding:

Expiry Date	Number of warrants Outstanding and exercisable	Exercise price ($)	Weighted average remaining contractual life (years)
April 18, 2025	1,282,150	0.22	1.05
April 18, 2025	437,500	0.27	1.05
April 18, 2025	49,000	0.165	1.05
June 12, 2025	333,330	0.22	1.20
June 12, 2025	658,889	0.27	1.20
June 12, 2025	84,777	0.165	1.20
Total	2,845,646		1.11

9. RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

The following related parties for the periods presented include key management personnel consisting of officers, and directors of the Company and those entities in which such individuals may hold positions that result in them having control or significant influence over the financial or operation policies of these entities:

a) Avanti Consulting Inc. is a company controlled by the President and CEO of the Company, providing such services to the Company commensurate with the position;

b) Hatch 8 Consulting is a company controlled by a former Chief Executive Officer who remains a director of the Company, and has provided occasional consulting services to the Company;

c) Lever Capital Corp. is a company owned by the Chief Financial Officer and provides consulting services to the Company;

d) Wetherup Geological Consultants is a business operated by the Company's Vice-President of Exploration and provides the Company with geological consulting services. Amounts billed are recognized as either capitalized under exploration and evaluation assets or expensed under Property investigation; and

e) Metallis Resources Inc. ("MTS") is a public company that has two directors and an officer in common with the Company. Etruscus subleases one-half of MTS' office premises. The Company and MTS also shared an exploration camp facility in BC's Golden Triangle region in 2022, as their respective properties lie about 35 – 40 km apart from each other. Consequently, some administrative and exploration costs are accordingly shared or reimbursable and are payable on demand.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Amounts owing to related parties at March 31, 2024 is $110,182 (2023 - $117,329), comprised of amounts owing to management and amounts owing to MTS as follows:

i) The aggregate value of key management compensation and outstanding balances relating to the above noted related parties are as follows:

		Transactions for the year ended March 31, 2024	Transactions for the year ended March 31, 2023	**Balance payable as at March 31, 2024**	Balance payable as at March 31, 2023
Short-term benefits:					
Avanti Consulting Inc.	**(a)**	**$ 72,000**	$ 72,000	**$ 34,950**	$ 6,300
Hatch 8 Consulting	**(b)**	**36,000**	72,000	**37,800**	31,500
Lever Capital Corp.	**(c)**	**54,000**	54,000	**30,712**	4,725
Wetherup Geological Consultants	**(d)**	**22,400**	76,000	**6,720**	12,600
Total		**$ 184,400**	$ 274,000	**$ 110,182**	$ 55,125

During the year ended March 31, 2024, there were no stock options granted to related parties.

ii) During the year ended March 31, 2024, the Company entered into transactions with MTS as follows:

	Due to MTS, March 31, 2023	Invoiced	Paid	**Due to MTS, March 31, 2024**
Rent	$ 9,661	$ 38,090	$ 47,751	**$ -**
Office expenses, net	3,867	2,561	6,428	**-**
Regulatory and filing fees, net	-	(1,703)	(1,703)	**-**
Exploration costs	48,676	-	48,676	**-**
Total	$ 62,204	$ 38,948	$ 101,152	**$ -**

Amounts due to related parties are non-interest bearing, unsecured and due on demand.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments consist of financial assets and financial liabilities and are accounted for under *IFRS 9 – Financial Instruments*. Financial instruments are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss.

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

iii) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and

iv) those to be measured at amortized cost.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). Any fair value changes due to credit risk for liabilities designated at fair value through profit and loss are recorded in other comprehensive income.

The Company has implemented the following classifications for financial instruments:

- The Company's financial assets are cash and cash equivalents, and reclamation deposit. Cash and cash equivalents and reclamation deposit are classified as fair value through profit or loss on a recurring basis and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur. The fair values of these financial instruments equal their carrying values.

- Financial liabilities comprise accounts payable, lease liability and amounts due to related parties which are classified as other financial liabilities and measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss, as applicable. The fair values of these financial instruments approximate their carrying values due to their short term maturities.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values, as follows:

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; and

Level 3 – Inputs that are not based on observable market data, with fair value measurement derived from valuation techniques.

The fair values of cash and cash equivalents and reclamation deposits are measured at fair value on a recurring basis based on Level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Company is exposed to credit risk through its cash and cash equivalents, receivables, deposits and reclamation deposit. As at March 31, 2024, the Company's maximum credit risk is equal to $216,909. The Company manages credit risk associated with its cash and cash equivalents by using reputable financial institutions, from which management believes the risk to be remote. Receivables and reclamation deposits are government related for which management assesses the collectability of these amounts to be assured.

Liquidity risk

Liquidity risk is related to the ability of the Company to meet its obligations as they come due. The Company's basic approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At March 31, 2024, the Company had a working capital deficiency of $23,910 and requires financing to meet its current obligations and fund ongoing operations. The Company has historically relied on equity financings to satisfy its capital requirements and will continue to depend upon equity capital as required but may also enter into earn-in arrangements or the sale of certain property interests. However, there can be no assurance the Company will be able to obtain its future financing needs on acceptable terms. The ability of the Company to continue on this course will depend, in part, on the prevailing market conditions, the market interest in financing the Company's mineral property exploration programs, and the scope of such programs.

The following are the contractual maturities of financial liabilities as at March 31, 2024:

	Carrying amount	Contractual cash flows	Within 1 year	Within 2 years	Within 3-5 years
Accounts payable and accrued liabilities	$ 85,876	$ 85,876	$ 85,876	$ -	$ -
Demand loans to related parties	110,182	110,182	110,182	-	-
Lease liabilities	24,529	25,988	20,757	5,231	-
Total	$ 220,587	$ 222,046	$ 216,815	$ 5,231	$ -

Interest rate risk

The Company is not exposed to material risk in the event of interest rate fluctuations. The Company has no long-term debt and has not entered into any interest rate swaps or other financial arrangements to mitigate the exposure to interest rate fluctuations. For these reasons, the Company considers it is not subject to material risks should interest rates change.

Market risk

The Company is subject to limited market risk as the price of its short-term money market investments that it may hold from time to time fluctuates due to market forces. The Company has no control over their fluctuating prices, does not hedge its investments and the fluctuations are limited in scope and volatility. As at March 31, 2024, the Company held no short-term money market investments.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Foreign currency risk

The Company's functional currency is the Canadian dollar, and an immaterial amount of transactions are in other currencies. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

11. CAPITAL MANAGEMENT

Capital is comprised of all components of equity, and the Company is not subject to externally imposed capital requirements. The Company's objectives when managing capital are to fund critical exploration work, meet its on-going liabilities, continue as a going concern, maintain creditworthiness and to ultimately maximize returns for shareholders over the long term. Meeting current and future liabilities and obligations as a non-revenue early-stage explorer requires management to plan for its current and future cash needs while continually monitoring the Company's internal, exploration and financing risks. The Company endeavors to maintain capital balances over the periods to alleviate unexpected cash flow shortfalls and remains confident that sufficient financing will be raised to ensure working capital needs are met and future exploration funds are available for future exploration. Management strives to minimize shareholder dilution through executing future financings at higher equity prices than prior financings, subject to market conditions.

The capital for operations and the acquisition and exploration of exploration and evaluation assets has historically come from the issuance of common shares.

There were no changes in the Company's capital management objectives during the year ended March 31, 2024.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the year ended March 31, 2024 were as follows:

a) The Company's exploration costs incurred during the year included $353,211 of qualifying expenses which reduced the flow-through premium liability from $65,783 to $6,915, a change of $58,868 which was recognized as other income on settlement of flow-through premium liability; and

b) The Company issued 650,000 common shares under the Lewis Agreement, recorded at a value of $78,000 as a property acquisition cost.

The significant non-cash investing and financing transactions during the year ended March 31, 2023 were as follows:

c) The Company's exploration costs incurred during the year included $325,545 of qualifying expenses which reduced the flow-through premium liability from $46,506 to $Nil and which was recognized as other income on settlement of flow-through premium liability; and

d) The Company issued 625,000 common shares under the Lewis Agreement, recorded at a value of $43,750 as a property acquisition cost.

(Expressed in Canadian Dollars)

13. INCOME TAXES

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

	2024	2023
Loss for the year	$ (541,615)	$ (455,637)
Canadian statutory income tax rate	27%	27%
Expected income tax (recovery)	$ (146,236)	$ (123,022)
Permanent differences and other	36,209	236,495
Change in unrecognized deductible temporary differences	110,027	(113,473)
Total income tax expense (recovery)	$ -	$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2024	2023
Deferred Tax Assets (Liabilities):		
Equipment	$ (2,575)	$ (7,535)
Share issuance costs	21,197	23,563
Non-capital losses available for future periods	860,004	724,265
Exploration & evaluation assets	(384,249)	(365,726)
Lease liability	(6,623)	3,160
	$487,754	$377,727
Unrecognized deferred tax assets	(487,754)	(377,727)
Net deferred tax assets	$ -	$ -

The Company has approximately $3,185,000 (2023 – $2,682,464) of non-capital losses for tax purposes which may be used to reduce income taxes of future years and will expire between 2040 to 2044.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

14. EVENTS AFTER THE REPORTING PERIOD

Subsequent to March 31, 2024, the following events occurred:

a) On May 30, 2024, the Company announced the appointments of David Parker to the Board of Directors and Matt Schmidt to the Advisory Board, and the grant of 300,000 stock options exercisable at $0.15 per share for five years, with Mr. Parker receiving 150,000 of those options and Mr. Schmidt receiving the other 150,000 options.

b) On June 10, 2024, the Company announced that it had terminated the Lewis Property Agreement and the exploration focus would shift back to the Rock & Roll property in BC. An impairment charge was concurrently recognized for the full amount of the Lewis project's capitalized costs within exploration and evaluation assets. As at March 31, 2024 such costs were $1,488,630.

c) On June 12, 2024, the Company closed a $150,000 private placement of common shares at $0.08 per common share, by the issuance of 1,875,000 common shares to the sole subscriber. No warrants were issued and no finder's fees were paid. The financing was first announced on May 30, 2024.

d) On July 25, 2024 the Company announced a proposed private placement of up to $1.25 million consisting of flow-through and non flow-through units. Up to 12.5 million non-flow-through units at $0.10 per unit, or up to 10 million flow-through units at $0.125 per flow-through unit may be issued, or any combination thereof totalling $1.25 million. The non-flow-through funds will be used for both exploration and general working capital and the flow-through funds will be used for qualified exploration expenditures at the Company's Rock & Roll property located in the prolific Golden Triangle, northwest B.C.

   Each non-flow-through unit will consist of one common share and one-half (1/2) of a non-transferable share purchase warrant with each whole warrant exercisable into one additional common share at a price of $0.15 per share for a 2-year period. Each flow-through unit will consist of one flow-through common share and one-half (1/2) of one non-flow-through, non-transferable share purchase warrant with each whole warrant exercisable into one additional common share at a price of $0.18 per share for a 2-year period.

   All shares issued under the private placement will be subject to a hold period of four months and one day from the date of issuance. Finders' fees may be paid in accordance with securities regulations.

   As at July 26, 2024, the Company had received $150,000 of flow-through subscription proceeds in relation to the private placement.