CARLYLE
COMMODITIES

Consolidated Financial Statements
(Expressed in Canadian Dollars, unless otherwise noted)

For the years ended February 28, 2023 and 2022

Table of Contents

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Carlyle Commodities Corp.

Opinion

We have audited the consolidated financial statements of Carlyle Commodities Corp. (the "Company"), which comprise the consolidated statements of financial position as at February 28, 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 notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company's ability to continue in the normal course of operations is dependent on its ability to raise equity financing. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

June 26, 2023

CARLYLE COMMODITIES CORP.
Consolidated Statements of Financial Position
For the years ended February 28, 2023 and 2022
Expressed in Canadian Dollars

As at	Notes		February 28, 2023		February 28, 2022
ASSETS					
Current					
Cash		$	562,840	$	134,535
Receivables			73,551		22,943
Loans receivable	10		50,000		55,040
Prepaid expenses and deposits	4		329,530		13,125
Total current assets			1,015,921		225,643
Non-current assets					
Restricted cash	6		40,000		40,000
Equipment	5		2,935		3,781
Exploration and evaluation assets	6		5,580,870		4,756,476
TOTAL ASSETS		**$**	**6,639,726**	**$**	**5,025,900**
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	10	$	642,273	$	199,078
Total liabilities			642,273		199,078
SHAREHOLDERS' EQUITY					
Share capital	7	$	17,394,759	$	15,375,237
Reserves	8		3,797,026		2,282,081
Accumulated deficit			(15,194,332)		(12,830,496)
Total shareholders' equity		$	5,997,453	$	4,826,822
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**6,639,726**	**$**	**5,025,900**

Events after reporting period (Note 14)
Approved on behalf of the Board of Directors on June 26, 2023

"*Morgan Good*"	"*Leighton Bocking*"
Director	Director

CARLYLE COMMODITIES CORP.

Consolidated Statements of Loss and Comprehensive Loss
For the years ended February 28, 2023 and 2022
Expressed in Canadian Dollars except number of shares

For the year ended	Notes		February 28, 2023		February 28, 2022
General and administrative expenses					
Bank and interest charges		$	12,916	$	3,475
Consulting fees	10		572,592		507,901
Depreciation	5		846		1,102
Investor relations			222,320		170,695
Management fees	10		389,789		239,997
Office costs			113,565		109,462
Professional fees			175,421		100,043
Share-based payments	8,10		784,050		50,605
Transfer agent and filing fees			78,074		30,749
Travel and entertainment			68,657		30,088
Total general and administrative expenses		$	(2,418,230)	$	(1,244,117)
Other income (expenses)					
Gain (loss) on debt and trade payables settlement	7		29,394		(43,542)
Write-off of exploration and evaluation assets	6		-		(2,050,827)
Write-off of receivables and advances	6		-		(22,760)
Transaction cost	6		-		(921,634)
Other income	9		-		15,840
Flow-through premium recovery	7		25,000		-
Net loss and comprehensive loss		**$**	**(2,363,836)**	**$**	**(4,267,040)**
Basic and diluted loss per common share		**$**	**(0.19)**	**$**	**(0.69)**
Weighted average number of common shares outstanding – basic and diluted			**12,208,935**		**6,177,140**

CARLYLE COMMODITIES CORP.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended February 28, 2023, and 2022
Expressed in Canadian Dollars except number of shares

	Number of shares		Share capital		Reserves		Accumulated Deficit		Total shareholders' equity
Balance - February 28, 2021	**4,890,050**	**$**	**13,139,486**	**$**	**2,314,506**	**$**	**(8,563,456)**	**$**	**6,890,536**
Stock options exercised	80,500		181,855		(83,030)		-		98,825
Shares issued for exploration and evaluation assets upon exercise of special warrants	100,000		62,500		-		-		62,500
Shares issued for acquisition of OWL Lake Resources Ltd.	1,464,998		1,782,855		-		-		1,782,855
Shares issued to settle trade payables	239,145		208,541		-		-		208,541
Share-based payments	-		-		50,605		-		50,605
Loss and comprehensive loss	-		-		-		(4,267,040)		(4,267,040)
Balance - February 28, 2022	**6,774,693**	**$**	**15,375,237**	**$**	**2,282,081**	**$**	**(12,830,496)**	**$**	**4,826,822**
Units issued in private placements	16,414,998		1,846,119		790,131		-		2,636,250
Flow-through premium liability recognized	-		(25,000)		-		-		(25,000)
Finders' warrants issued	-		-		127,255		-		127,255
Share issuance costs	-		(180,511)		(77,441)		-		(257,952)
Stock options exercised	475,000		222,550		(109,050)		-		113,500
Shares issued to settle trade payables	568,992		156,364		-		-		156,364
Share-based payments	-		-		784,050		-		784,050
Loss and comprehensive loss	-		-		-		(2,363,836)		(2,363,836)
Balance - February 28, 2023	**24,233,683**	**$**	**17,394,759**	**$**	**3,797,026**	**$**	**(15,194,332)**	**$**	**5,997,453**

Expressed in Canadian Dollars except number of shares

For the year ended		February 28, 2023		February 28, 2022
Cash (used in) provided by:				
OPERATING ACTIVITIES				
Loss for the year	**$**	**(2,363,836)**	**$**	**(4,267,040)**
Non-cash items:				
Depreciation		846		1,102
Loss (gain) on settlement of trade payables		(29,394)		43,542
Flow-through premium income		(25,000)		-
Impairment of exploration and evaluation assets		-		2,050,827
Write-off of receivables and advance		-		22,760
Transaction cost		-		921,634
Share-based payments		784,050		50,605
Changes in non-cash working capital items				
Receivables		(50,608)		1,818
Prepaid expenses and deposits		(316,405)		125,648
Trade payables and accrued liabilities		247,109		182,690
Net cash used in operating activities	**$**	**(1,753,238)**	**$**	**(866,414)**
INVESTING ACTIVITIES				
Expenditures on exploration and evaluation assets	$	(442,600)	$	(160,983)
Cash deposit with the Ministry of Mines		-		(40,000)
Loan repaid (issued)		5,040		-
Net cash used in investing activities	**$**	**(437,560)**	**$**	**(200,983)**
FINANCING ACTIVITIES				
Proceeds from private placement	$	2,636,250	$	-
Share issuance costs		(130,697)		-
Cash received on acquisition of OWL Lake Resources Ltd.		-		872,494
Proceeds from stock options exercised		113,500		98,825
Advances from (repayment to) from related parties		50		69,452
Net cash provided by financing activities	**$**	**2,619,103**	**$**	**1,040,771**
Net increase (decrease) in cash in the year	**$**	**428,305**	**$**	**(26,626)**
Cash – beginning of the year	**$**	**134,535**	**$**	**161,161**
Cash – end of the year	**$**	**562,840**	**$**	**134,535**

Supplemental cash flow information

For the year ended		February 28, 2023		February 28, 2022
Settlement of trade payables and debt through share issuance	$	139,039	$	208,541
Fair value of shares issued for exploration and evaluation asset		17,325		2,204,498
Use of exploration and evaluation advance		-		123,322
Exploration and evaluation asset additions in trade payables		364,469		-
Fair value of finders' warrants		127,255		-

Expressed in Canadian Dollars except otherwise noted

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Carlyle Commodities Corp. ("CCC", or the "Company") was incorporated on October 18, 2017 under the Business Corporations Act of British Columbia. The Company's head office address is 5803 – 1151 West Georgia Street, Vancouver, BC. The registered office address is located at 620 – 1111 Melville Street, Vancouver, BC. The Company's common shares trade on the Canadian Securities Exchange (the "CSE") under the stock symbol "CCC", on the Frankfurt Stock Exchange under the ticker "BJ4" and on the OTCQB Venture Market under the stock symbol "DLRYF". The Company's consolidated financial statements include the financial statements of the following subsidiaries:

Company	Place of Incorporation	Effective Interest
BC Vanadium Corp. ("**BCVC**")	British Columbia	100%
WEM Western Energy Metals Ltd. ("**WEM**")	British Columbia	100%
ISAAC Mining Corp. ("**IMC**")	British Columbia	100%
OWL Lake Resources Ltd. ("**OWL**")	Ontario	100%

The principal business of the Company is the exploration and evaluation of mineral property interests. The success of the Company will be dependent on obtaining the necessary financing to evaluate and pursue these opportunities.

The number of shares and per share amounts for the current and comparative figures in these consolidated financial statements have been adjusted to reflect the changes resulting from a 10 for 1 share consolidation which took effect on September 6, 2022.

These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. For the year ended February 28, 2023, the Company had a net loss of $2,363,836 and has no sources of cash from operations. The Company's ability to continue in the normal course of operations is dependent on its ability to raise equity financing. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated 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. These adjustments could be material.

NOTE 2 - BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Use of Estimates and Critical Judgments

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumption where there is significant risk of material adjustments to assets and liabilities in future accounting period include the recoverability of the carrying value of exploration and evaluation assets, the measurements for financial instrument, the measurement of share-based payments and the recoverability of deferred tax assets.

The Company applied judgment to determine whether the three-cornered amalgamation (refer to Note 6 for details) should be classified as an asset acquisition or business combination. The assessment was based on the definition of a business in accordance with IFRS 3.

Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and its controlled and wholly owned subsidiaries BCVC, WEM, IMC and OWL. Control is achieved where the Company has power over an entity, has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the investor's returns. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All inter-company balances and transactions have been eliminated on consolidation.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, unless otherwise indicated.

Cash

Cash includes cash on hand and deposits held with financial institutions.

Financial instruments

Financial assets

Financial assets are classified as either financial assets at affair value through profit or loss, amortized cost, or fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition.

Fair value through profit or loss ("FVTPL") - financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Changes in fair value are recognized in profit and loss.

Amortized cost – financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL: 1) The objective of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the assets contractual cash flow represents solely payments of principal and interest.

The Company's cash, loans receivable and restricted cash are recorded at amortized cost.

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial liabilities

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

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

Amortized cost - This category includes trade payables, which are recognized at amortized cost.

Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration expenditures reflect the capitalized costs related to the initial search for mineral deposits with economic potential or obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with acquisition of rights to explore, prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures reflect costs incurred at exploration projects related to establishing the technical and commercial viability of mineral deposits identified through exploration or acquired through a business combination or asset acquisition. Evaluation expenditures include the cost of:

i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve,

ii) determining the optimal methods of extraction and metallurgical and treatment processes,

iii) studies related to surveying, transportation and infrastructure requirements,

iv) permitting activities, and

v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

From time-to-time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as resource property costs or recoveries when the payments are made or received. The Company does not accrue the estimated costs of maintaining its interests in good standing.

From time-to-time the Company may issue shares for option-in agreements in respect of acquisition of mineral interests. These equity-settled share-based payment transactions are measured by reference to the fair value of the entity instruments granted and the corresponding increase in equity. The Company capitalizes its acquisition costs and exploration and evaluation costs.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax is recorded using the 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 relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect both accounting or taxable loss, and 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 date of the statement of financial position.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company will reassesses any unrecognized deferred tax assets. The Company will recognize any previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Property and equipment

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in a manner intended by the Company. Property and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

Depreciation is recognized in operations using the declining balance method at the following rates over the assets useful life:

Computer equipment	30%
Furniture and fixtures	20%

Depreciation methods, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate.

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, common share warrants and flow-through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new common shares, common share warrants, or stock options are shown in equity as a deduction, net of tax, from the proceeds. Share capital issued for non-monetary consideration is recorded as an amount based on fair value on the date of issue.

The Company has adopted the relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The relative fair value method allocates to each component on a pro-rata basis, based on the fair value of the components calculated independently of one another. The Company considers the market value of the units using the Black-Scholes option pricing model. The unit's value is then allocated, pro-rata, between the two components, with fair value attributed to the warrants being recorded to the Company's warrant reserve.

Loss per common share

Basic loss per share has been calculated using the weighted average number of common shares outstanding during the year.

Diluted loss per share has been calculated using the weighted average number of common shares that would have been outstanding during the respective period had all of the stock options and warrants outstanding (if any) at year-end having a dilutive effect been converted into shares at the beginning of the year and the proceeds used to repurchase the Company's common shares at the average market price for the year. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Impairment

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 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 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. 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.

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.

Decommissioning provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties, oil and gas interests, and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset.

The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Company’s estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company’s estimates of reclamation costs, are charged to profit and loss for the period.

Share-based payments

A stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to capital stock.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Foreign currency translation

The functional and presentation currency, as determined by management, of the Company is the Canadian dollar. Transactions in currencies other than the functional currency of each entity are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the entity that are denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the average exchange rate for the year, which approximates those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital (and reserves, if applicable). The premium is recognized as other income and the related deferred tax is recognized as a tax provision which is reduced when qualifying flow-through expenditures are incurred.

Proceeds received from the issuance of flow-through shares are restricted to be used only for qualifying Canadian resource property exploration expenditures within a two-year period in accordance with Government of Canada flow-through share regulations.

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

New IFRS pronouncements

Amendments to IAS 1

In October 2022, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* titled *Non-current liabilities with covenants*. The amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, *Classification of liabilities as current or non-current*, issued in January 2022, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. We do not expect these amendments to have a material effect on our consolidated financial statements.

Expressed in Canadian Dollars except otherwise noted

Amendment to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements and the IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concept when making judgments about accounting policy disclosures. The amendments were effective January 1, 2023, with early adoption permitted. Prospective application is required on adoption. These amendments do not have a material effect on our consolidated financial statements.

NOTE 4 – PREPAID EXPENSES AND DEPOSITS

		February 28, 2023		February 28, 2022
Consulting fees	$	73,333	$	-
Advertising and marketing		211,667		-
Investor relations		15,989		-
Management fees		10,000		13,125
Regulatory fees		18,541		-
Total prepaid expenses and deposits	**$**	**329,530**	**$**	**13,125**

NOTE 5 – EQUIPMENT

COST		Computer equipment		Furniture and fixtures		Total
Balance - February 28, 2022 and 2023	**$**	**6,044**	**$**	**3,783**	**$**	**9,827**

ACCUMULATED DEPRECIATION		Computer equipment		Furniture and fixtures		Total
Balance - February 28, 2022	$	4,091	$	1,955	$	6,046
Depreciation		555		291		846
Balance - February 28, 2023	**$**	**4,646**	**$**	**2,246**	**$**	**6,892**

NET CARRYING VALUE		Computer equipment		Furniture and fixtures		Total
Balance - February 28, 2022	$	1,953	$	1,828	$	3,781
Balance - February 28, 2023	**$**	**1,398**	**$**	**1,537**	**$**	**2,935**

NOTE 6 – EXPLORATION AND EVALUATION ASSETS

Sunset Mining Property, British Columbia

On November 7, 2017, the Company entered into an agreement to have the right to earn a 100% interest in the Sunset Property consisting of four mineral claims.

The Company could earn a 100% interest in the Sunset Property subject to a 2% Net Smelter Royalty, by completing $1,000,000 in exploration, making cash payments of $15,000 (paid) and issuing 9,524 common shares (issued during the year ended February 28, 2019). If there is a shortfall in exploration in any one year, the agreement can be maintained in good standings by making a payment in the equivalent cash, of the shortfall. On June 25, 2018, the $100,000 in exploration expenditures to incur by June 30, 2018 was extended to September 30, 2018.

Expressed in Canadian Dollars except otherwise noted

On July 29, 2021, the Company entered into an amending agreement. Pursuant to the terms of the amending agreement, the Company has extended the second and third scheduled payments of exploration expenditures from December 31, 2020 and December 31, 2022 to December 31, 2022 (as to $200,000) and December 31, 2022 (as to $700,000) respectively.

On December 29, 2021, the Company entered into another amending agreement. Pursuant to the terms of the amending agreement, the Company further extended the second and third schedule payments of exploration expenditures from December 31, 2021 to December 31, 2022 (as to $200,000) and December 31, 2023 (as to $700,000) respectively.

The Company was required to incur $1,000,000 of exploration as follows:

By September 30, 2018	$	100,000	*(completed during the year ended February 28, 2019)*
By December 31, 2022		200,000	(*Not incurred, option agreement terminated*)
By December 31, 2023		700,000	
	$	1,000,000	

Excess expenditures from one year can be applied to the next period.

In June 2022, the Company notified the optionor it was terminating the option agreement and therefore recognized a write-off of $168,495 in the consolidated statement of loss and comprehensive loss reducing the carrying value to $nil during the year ended February 28, 2022.

Cecilia Gold-Silver Property, State of Sonora

During the year ended February 28, 2021, the Company entered into an option agreement (the “Cecilia Agreement”) with Riverside Resources Inc. (“Riverside”), a TSX Venture Exchange (“TSXV”) listed issuer trading under the symbol “RRI”, to purchase an undivided 100% interest in and to Cecilia Gold-Silver Project (the “Property”) located in the State of Sonora, Mexico.

Under the terms of the Cecilia Agreement, the Company had the option to acquire a 100% interest in the Property by:

Date		Cash	Shares		Exploration Expenditures
Upon execution of the LOI	$	10,000 *(paid)*	-	$	-
Upon closing		40,000 *(paid)*	150,000 *(issued)*		-
12 months from Closing		50,000 (*paid*)	-		750,000
24 months from Closing		50,000	-		500,000
36 months from Closing		50,000	-		1,250,000
	$	200,000	150,000	$	2,500,000

Upon completion of the option payments, the Company will be deemed to have exercised the option and will have earned an undivided 100% legal and beneficial interest in and to the Property, subject to a 2.5% net smelter return royalty (“NSR Royalty”) to be granted to Riverside. During the year ended February 28, 2021, the Company advanced $750,000 to Riverside as operator of the project, which had been expended on exploration and evaluation activities as at February 28, 2022.

On closing, the Company issued 300,000 special warrants to Riverside, which will automatically vest and convert into one share of the Company, for no additional consideration, with the following vesting schedule:

Vesting Date	No. of Special Warrants Vested / Converted
12 months from Closing	50,000 (*vested and converted on July 13, 2021*)
18 months from Closing	50,000 (*vested and converted on January 13, 2022*)
24 months from Closing	50,000 (*Cancelled May 2022*)
30 months from Closing	50,000 (*Cancelled May 2022*)
36 months from Closing	100,000 (*Cancelled May 2022*)
	300,000

The special warrants will be cancelled if the Cecilia Agreement is terminated and have therefore been accounted for consistent with other option payments and will be recognized as acquisition costs as they vest. The Company issued 1,000,000 common shares upon exercise of Special warrants valued at $62,500 during the year ended February 28, 2022 and made a cash payment of $50,000 pursuant to the terms of the Cecilia Agreement.

In May 2022, the Company notified the optionor that it was terminating the option agreement and therefore for the year ended February 28, 2022, recognized a write-off of $1,384,343 in the consolidated statement of loss and comprehensive loss reducing the carrying value to $nil.

Mack option agreement, British Columbia

During the year ended February 28, 2021, the Company entered into an option agreement (the "Mack Agreement") with United Mineral Services Ltd. ("UMS"), a private company. The Company has agreed with UMS that Amarc Resources Ltd. ("Amarc") will operate the exploration program.

Under the terms of the Mack Agreement, the Company has the right to earn a 50% working interest in the Mack copper-molybdenum-gold property by funding $400,000 for an initial drill program as follows:

a) $50,000 on or before August 14, 2020 (paid); and
b) $350,000 on the earlier of:
    i) within 5 days of notice from Amarc that it has received the necessary permit required for the agreed upon earn-in program for the Mack Property before September 30, 2020 (paid); and
    ii) April 1, 2022, if the permit is in-hand after September 30, 2020 but before April 1, 2022; or such other date as agreed to by the parties

As a result of completing the above, the Company holds a 50% interest in the Mack property.

During the year ended February 28, 2021, the Company issued 10,000 common shares with a value of $19,000 to stake additional contiguous claims on the Mack property.

During the year ended February 28, 2022, the Company did not intend to perform further work on the Mack property and assessed its recoverable amount to be $nil and therefore recognized a write-off of $454,928 in the consolidated statement of loss and comprehensive loss in the same year.

Isaac Mining Corp amalgamation agreement, British Columbia

On December 16, 2020, the Company entered into an amalgamation agreement (the "Agreement") with Isaac Mining Corp. ("IMC"), a private British Columbia corporation, and 1269597 B.C. Ltd. ("NewCo"), a wholly-owned subsidiary of the Company.

IMC is a private British Columbia mineral exploration corporation which owns 100% of the Newton Gold Project (the "Newton Gold Project" or the "Project") located in the Clinton Mining Division of the Province of British Columbia.

Under the Agreement, the Company is required to pay an annual advance royalty payment of $25,000 (paid – December 2022) paid to IMC and AMARC Resources Ltd. relating to the 2% net smelter returns royalty (the "NSR"). The NSR can be purchased by the Company at any time for $2,000,000.

The Company deposited $40,000 with the Ministry of Energy, Mines and Low Carbon Innovation during the year ended February 28, 2022 as part of the exploration permit application requirement.

OWL Lake Resources Ltd amalgamation agreement, Ontario

On June 14, 2021, the Company entered into an amalgamation agreement (the "Agreement") with OWL Lake Resources Ltd. ("OWL"), a private British Columbia corporation, and 1305339 B.C. Ltd. ("NewCo"), a wholly-owned subsidiary of the Company.

Incorporated in October of 2018, OWL is a private British Columbia mineral exploration corporation which owns 100% of the Owl Lake Property (the "Owl Lake Property" or the "Property") located in the Hemlo-Schreiber Greenstone Belt in the Thunder Bay South Mining Division in the Province of Ontario.

Pursuant to the Agreement, the Company acquired all of the issued and outstanding OWL Shares by way of a "three-cornered" amalgamation (the "Amalgamation") whereby NewCo and OWL amalgamated pursuant to the provisions of the Business Corporations Act (British Columbia) to form one corporation, which continued under the name "OWL Lake Mining Corp.", a wholly owned subsidiary of the Company. Accordingly, each of the common shares of OWL (each, an "OWL Share") were cancelled and, in consideration for such OWL Shares, each OWL shareholder (collectively, the "OWL Shareholders") received one common share in the capital of the Company for every three and a half of OWL Share held by such shareholder. An aggregate of 1,371,427 common shares of the Company were issued to the OWL Shareholders in exchange for their respective OWL Shares.

Expressed in Canadian Dollars except otherwise noted

The Company has determined that the transaction does not meet the definition of a business combination and treated the amalgamation as an asset acquisition.

In connection with the Transaction, the Company paid a finder's fee to Triview Capital Ltd., a private Calgary corporation, by issuing 93,571 common shares. As the acquired entity did not constitute a business and majority of net assets acquired was cash, the finder's fee was classified as share issuance cost.

Purchase price consideration		
Value of 1,371,427 common shares issued at $1.30	$	1,782,855
Assets and liabilities acquired		
Cash	$	872,494
Owl Lake Property		43,061
Trade payables and accrued liabilities		(54,334)
Transaction cost		921,634
Total purchase price allocated	**$**	**1,782,855**

As at February 28, 2022, the Company has determined it will not pursue exploration and evaluation of the OWL Lake Property and estimated its recoverable amount to be $nil. Therefore, the company recognized a write-off of $43,061 in the consolidated statement of loss and comprehensive loss in the year ended February 28, 2022.

Expressed in Canadian Dollars except otherwise noted

A continuity of the Company's exploration and evaluation assets is as follows:

	Sunset	Mack	Cecilia	Newton	Owl Lake	Total
Acquisition costs:						
Balance, February 28, 2021	**$ 65,000**	**$ 25,822**	**$ 540,000**	**$ 4,632,993**	**$ -**	**$ 5,263,815**
Additions	-	-	112,500	-	43,061	155,561
Write-off	(65,000)	(25,822)	(652,500)	-	(43,061)	(786,383)
Balance, February 28, 2022	**$ -**	**$ -**	**$ -**	**$ 4,632,993**	**$ -**	**$ 4,632,993**
Additions	-	-	-	25,000	-	25,000
Balance, February 28, 2023	**$ -**	**$ -**	**$ -**	**$ 4,657,993**	**$ -**	**$ 4,657,993**
Exploration costs:						
Balance, February 28, 2021	**$ 103,495**	**$ 429,106**	**$ 608,521**	**$ -**	**$ -**	**$ 1,141,122**
Field personnel	-	-	24,870	-	-	24,870
Sampling	-	-	44,404	-	-	44,404
Geological consulting	-	-	30,440	75,260	-	105,700
Supplies and other	-	-	2,076	-	-	2,076
Travel and meals	-	-	7,896	-	-	7,896
Permitting	-	-	-	48,223	-	48,223
Project management	-	-	13,636	-	-	13,636
Write-off	(103,495)	(429,106)	(731,843)	-	-	(1,264,444)
Balance, February 28, 2022	**$ -**	**$ -**	**$ -**	**$ 123,483**	**$ -**	**$ 123,483**
Permitting	-	-	-	83,335	-	83,335
Targeting, planning and logistics	-	-	-	48,625	-	48,625
Equipment rental	-	-	-	33,076	-	33,076
Field personnel	-	-	-	150,772	-	150,772
Drilling	-	-	-	292,982	-	292,982
Assaying	-	-	-	45,572	-	45,572
Fuel	-	-	-	3,527	-	3,527
Consumables	-	-	-	37,459	-	37,459
Travel and meals	-	-	-	86,005	-	86,005
Project management	-	-	-	18,041	-	18,041
Balance, February 28, 2023	**$ -**	**$ -**	**$ -**	**$ 922,877**	**$ -**	**$ 922,877**
Balance, February 28, 2022	**$ -**	**$ -**	**$ -**	**$ 4,756,476**	**$ -**	**$ 4,756,476**
Balance, February 28, 2023	**$ -**	**$ -**	**$ -**	**$ 5,580,870**	**$ -**	**$ 5,580,870**

Expressed in Canadian Dollars except otherwise noted

NOTE 7 – SHARE CAPITAL

The number of shares and per share amounts for the current and comparative figures in these consolidated financial statements have been adjusted to reflect the changes resulting from a 10 for 1 share consolidation which took effect on September 6, 2022.

Authorized: unlimited number of common shares without par value.

			Number of shares		Amount
Balance, February 28, 2021		**$**	**4,890,050**	**$**	**13,139,486**
Shares issued upon stock option exercise	(a)		80,500		181,855
Shares issued for OWL Lake Resources Ltd.	(b)		1,464,998		1,782,855
Shares issued for exploration and evaluation assets	(c)		100,000		62,500
Shares issued to settle trade payables	(d)		239,145		208,541
Balance, February 28, 2022		**$**	**6,774,693**	**$**	**15,375,237**
Shares issued in private placements	(e)		16,414,998		1,640,608
Shares issued upon stock option exercise	(f)		475,000		222,550
Shares issued to settle trade payables	(g)		568,992		156,364
Balance, February 28, 2023		**$**	**24,233,683**	**$**	**17,394,759**

(a) Issued 80,500 for stock options exercised at an average price of $1.20 per common share for proceeds of $98,825. Upon exercise, $83,030 relating to the fair value of the stock options was reclassified from reserves to share capital.

(b) Issued 1,464,998 common shares on acquisition of OWL Lake Property (Note 6).

(c) On July 13, 2021, issued 50,000 common shares at $0.95 per common share upon exercise of 50,000 special warrants that vested pursuant to the Cecilia option agreement (Note 6).

On January 13, 2022, issued 50,000 common shares at $0.30 per common share upon exercise of 50,000 special warrants that vested pursuant to the Cecilia option agreement (Note 6).

(d) Issued 239,145 common shares valued at $208,541 to Directors of the Company and consultants to settle trade payables and accrued liabilities valued at $164,999. The Company recognized a loss on settlement of trade payables and accrued liabilities equal to $43,542 in the statement of loss.

(e) (i) Closed a non-brokered private placement by issuing 14,674,998 units (each, a “Unit”) at a price of $0.15 per Unit for gross proceeds of $2,201,250 as follows:

- 6,918,332 Units on October 21, 2022
- 2,810,000 Units on October 31, 2022
- 4,946,666 Units on November 10, 2022

Each unit consists of one common share and one-half warrant. Each warrant is exercisable for one common share at a price of $0.30 for a period of three years following the closing of each tranche of the private placement. The warrants are subject to an acceleration provision whereby in the event the common shares have a closing price on the CSE of $0.50 or greater per common share of the Company for a period of 10 consecutive trading days at any time from the date of issuance, the Company may accelerate the expiry date of warrants. In connection with the offering, the Company paid an aggregate of $81,460 in finders’ fees and incurred an additional $16,238 in other closing costs and issued 631,066 finders’ warrants valued at $109,273. The finders’ warrants were valued using the Black-Scholes pricing model with following assumptions: (i) share price of $0.19, (ii) expected life of three years, (iii) dividend yield of 0%, (iv) risk-free rate of 3.96%, and (v) expected volatility of 196.1%

(ii) On December 30, 2022, the Company closed a non-brokered private placement by issuing 1,000,000 flow-through units (each, a “FT Unit”) at a price of $0.25 per FT Unit for gross proceeds of $250,000. Each FT Unit was comprised of one flow-through share and one-half warrant, each entitling the holder to acquire one non-flow-through common share at a price of $0.375 per common share for a period of 18 months. In connection with the offering, the Company paid an aggregate of finders’ fees of $12,600 and incurred an additional $6,399 in other closing costs and issued 50,400 finders’ warrants, exercisable at $0.25 for a period of 18 months valued at $8,014. The finders’ warrants were valued using the Black-Scholes pricing model with following assumptions: (i) share price of $0.23, (ii) expected life of 18 months, (iii) dividend yield of 0%, (iv) risk-free rate of 4.03%, and (v) expected volatility of 174.5%. The Company used the residual method to calculate the fair value of the tax deduction attached with the flow-through common share and recorded a flow-through liability of $25,000. The Company incurred eligible exploration and evaluation expenditures during the year ended and recognized a flow-through premium recovery of $25,000.

Expressed in Canadian Dollars except otherwise noted

(iii) On February 24, 2023, the Company closed a first tranche of private placement by issuing 740,000 units (each, a "Unit") at a price of $0.25 per Unit for gross proceeds of $185,000.

Each unit consists of one common share of the Company and one-half of a share purchase warrant. Each full share purchase warrant is exercisable for one common share of the Company at a price of $0.375 for a period of three years following the closing of each tranche of the private placement. The warrants are subject to an acceleration provision whereby in the event the common shares have a closing price on the CSE of $0.50 or greater per common share of the Company for a period of 10 consecutive trading days at any time from the date of issuance, the Company may accelerate the expiry date of warrants. In connection with the offering, the Company paid an aggregate of $14,000 in finders' fees and issued 56,000 finders' warrants valued at $9,968. The finders' warrants were valued using the Black-Scholes pricing model with following assumptions: (i) share price of $0.205, (ii) expected life of three years, (iii) dividend yield of 0%, (iv) risk-free rate of 4.02%, and (v) expected volatility of 175.6%

(f) Issued 475,000 for stock options exercised at an average price of $0.24 per common share for proceeds of $113,500. Upon exercise, $109,050 relating to the fair value of the stock options was reclassified from reserves to share capital.

(g) Issued 568,992 common shares valued at $156,364 to Directors of the Company and consultants to settle trade payables and accrued liabilities valued at $185,758. The Company recognized a gain on settlement of trade payables and accrued liabilities equal to $29,394 in the statement of loss.

NOTE 8 – RESERVES

Warrants

		Number of warrants		Weighted Average Exercise Price
Balance, February 28, 2021		**2,987,264**	**$**	**3.30**
Exercised	(a)	(100,000)		0.60
Balance, February 28, 2022		**2,887,264**	**$**	**3.34**
Issued	(b)	8,944,965		0.30
Cancelled	(c)	(200,000)		-
Expired	(d)	(131,465)		7.24
Balance, February 28, 2023		**11,500,764**	**$**	**0.93**

(a) Pursuant to the terms of the Cecilia Agreement, Riverside exercised 50,000 special warrants that vested on July 13, 2021 and 50,000 special warrants that vested on January 13, 2022 for no consideration. See Note 6 for the terms of the Cecilia Agreement.

(b) The Company issued share purchase warrants pursuant to the terms of three financings completed during the year ended February 28, 2023 as disclosed in Note 7.

(c) The Company cancelled the unvested 200,000 special warrants because of the Cecilia Agreement termination, which is discussed in Note 6.

(d) 131,465 warrants expired unexercised.

Expressed in Canadian Dollars except otherwise noted

Warrants outstanding as of February 28, 2023 are as follows:

Expiry Date	Exercise Price, $	Outstanding warrants	Outstanding and exercisable warrants
November 20, 2023	5.00	144,100	144,100
November 25, 2023	5.00	124,000	124,000
November 27, 2023	5.00	135,000	135,000
December 8, 2023	5.00	570,000	570,000
June 28, 2024	0.38	400,000	400,000
June 28, 2024	0.25	34,400	34,400
June 30, 2024	0.38	100,000	100,000
June 30, 2024	0.25	16,000	16,000
March 27, 2025	2.00	266,666	266,666
April 29, 2025	2.00	862,833	862,833
May 15, 2025	2.00	453,200	453,200
October 21, 2025	0.30	3,459,166	3,459,166
October 21, 2025	0.15	298,266	298,266
October 31, 2025	0.30	1,405,000	1,405,000
October 31, 2025	0.15	132,000	132,000
November 10, 2025	0.30	2,473,333	2,473,333
November 10, 2025	0.15	200,800	200,800
February 24, 2026	0.38	370,000	370,000
February 24, 2026	0.25	56,000	56,000
	0.93	**11,500,764**	**11,500,764**

The weighted average remaining contractual life of warrants outstanding as of February 28, 2023 is 2.33 years (February 28, 2022 – 2.53 years).

Stock options

The Company has adopted a stock option plan. The stock option plan provides that, the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time. In addition, the number of common shares which may be reserved for issuance on a yearly basis to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued shares calculated at the time of grant. All options granted under the stock option plan will expire no later than the date that is five years from the date that such options are granted.

The following is a summary of stock option transactions during the years ended February 28, 2023 and 2022:

	Number of options		Weighted Average Exercise Price
Balance, February 28, 2021	**437,399**	**$**	**3.00**
Granted	55,500		1.15
Cancelled	(1,429)		17.50
Exercised	(80,500)		1.20
Balance, February 28, 2022	**410,970**	**$**	**3.00**
Granted	3,225,000		0.25
Exercised	(475,000)		0.24
Balance, February 28, 2023	**3,160,970**	**$**	**0.61**

The weighted average fair value of incentive options granted during the years ended February 28, 2023, was $0.24 (year ended February 28, 2022 - $0.29). The weighted average fair value of share price at the time of exercise during the year ended

Expressed in Canadian Dollars except otherwise noted

February 28, 2023 was $0.31 (year ended February 28, 2022 - $0.16). Total share-based payments recognized in the consolidated statement of shareholders' equity for the year ended February 28, 2023 was $784,050 (year ended February 28, 2022 - $50,605) and classified as expense in the statement of loss and comprehensive loss. The fair value of incentive options at the date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

For the year ended		February 28, 2023		February 28, 2022
Weighted average exercise price	$	0.253	$	0.115
Risk-free interest rate		3.11%		0.24%
Expected life (years)		5.00		2.00
Expected volatility		181%		195%
Expected dividends		0%		0%
Forfeiture rate		0%		0%

Stock options outstanding and exercisable as of February 28, 2023 are as follows:

Expiry Date	Exercise Price, $	Outstanding options	Outstanding and exercisable options
October 29, 2023	17.50	33,756	33,756
March 21, 2024	17.50	5,714	5,714
May 15, 2025	1.50	117,500	117,500
February 19, 2026	1.40	254,000	254,000
November 14, 2027	0.22	1,600,000	1,600,000
January 11, 2028	0.31	1,000,000	1,000,000
January 27, 2028	0.33	150,000	150,000
	0.61	**3,160,970**	**3,160,970**

The weighted average remaining contractual life of stock options outstanding and exercisable as of February 28, 2023 is 4.49 years (February 28, 2022 – 3.54 years).

NOTE 9 – OTHER INCOME

The Company received income $nil during the year ended February 28, 2023 (2022 - $15,840) from the short-term office sublease.

NOTE 10 – RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel compensation
Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers.

The compensation awarded to key management personnel is as follows:

For the year ended		February 28, 2023		February 28, 2022
Management fees	$	336,281	$	206,440
Consulting fees		30,000		70,000
Share-based payments		144,900		-
Total compensation	**$**	**511,181**	**$**	**276,440**

Due to related parties

Expressed in Canadian Dollars except otherwise noted

As of February 28, 2023, $339,098 (February 28, 2022 - $123,822) was included in trade payables and accrued liabilities for fees owed to related parties.

During the year ended February 28, 2023, the Company advanced a loan of $nil (year ended February 28, 2022 - $50,000) to an officer of the Company. The loan advanced in prior year was not repaid during the year ended February 28, 2023. The Company expects to collect the outstanding loan within a year from the reporting period date.

During the year ended February 28, 2023, the Company received a loan of $75,000 from a legal entity with an officer in common. The loan did not bear interest and was due on demand. It was fully repaid during the year ended February 28, 2023.

During the year ended February 28, 2022, the Company advanced a loan of $5,040 to a legal entity with a director in common. The loan is non-interest bearing and repayable within 12 months from the commencement date. The loan was fully repaid in June 2022.

During the year ended February 28, 2021, the Company issued a loan of $55,482 to a Company with an officer in common. The loan is non-interest bearing and repayable on demand. During the year ended February 28, 2022, the Company received a loan repayment of $55,482.

NOTE 11 – FINANCIAL INSTRUMENTS

Fair values
When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The carrying values of cash, restricted cash, loans receivable, trade payables and accrued liabilities approximate their fair values due to the immediate or short-term nature of these instruments. There has been no significant change in credit and market interest rates since the date of its receipt.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Change in assumptions could significantly affect the estimates.

The following table summarizes the classification of the Company's financial instruments under IFRS 9:

Financial assets	
Cash	Amortized cost
Restricted cash	Amortized cost
Receivables	Amortized cost
Loans receivable	Amortized cost
Financial liabilities	
Trade payables and accrued liabilities	Amortized cost

Capital and Risk Management
The Company's objective and polices for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce

the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the period. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the executive team under policies approved by the Board of Directors. The executive team identifies and evaluates financial risks in close cooperation with the Board of Directors.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest-bearing debt instrument has a fixed interest rate and is not subject to interest rate cash flow risk. As of February 28, 2023, the Company is not exposed to significant interest rate 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 generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Trade payables and accrued liabilities	$ 642,273	$ 642,273	$ 642,273	$ -	$ -
Totals	**$ 642,273**	**$ 642,273**	**$ 642,273**	**$ -**	**$ -**

Taking into consideration the Company's current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is continuing to review its needs to seek financing opportunities in accordance to its capital risk management strategy.

Foreign currency risk
Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from current conversions is not significant and therefore does not hedge its foreign exchange risk.

NOTE 12 – SEGMENT REPORTING

All the Company's operations are in the resource sector. The Company's mineral exploration and evaluation operations are based in Canada.

Expressed in Canadian Dollars except otherwise noted

NOTE 13 – INCOME TAXES

The total income tax recovery (expense) recorded in the consolidated financial statements differs from the amount computed by applying the combined federal and provincial tax rates of 27% (2022 – 27%) to income (loss) before tax as follows:

		2023		2022
Loss before taxes	$	(2,363,836)	$	(4,267,040)
Statutory income tax rate		27%		27%
Expected recovery at statutory rate	$	(638,000)	$	(1,152,000)
Increase (decrease) in taxes resulting from:				
Non-taxable expenditures and other	$	377,000	$	573,000
Origination and reversal of temporary differences		261,000		579,000
Income tax expense (recovery)	**$**	**-**	**$**	**-**

Deferred income tax assets are recorded to the extent that the realization of the related tax benefit is probable based on estimated future earnings. Deferred income tax assets have not been recognized with respect to the following deductible temporary differences:

		2023		2022
Non-capital loss carried forward	$	6,525,000	$	5,303,000
Share issuance costs		127,000		107,000
Exploration and evaluation assets		2,048,000		2,323,000
Property and equipment		6,000		6,000
Total		**8,706,000**		**7,739,000**
Unused deferred tax asset		(8,706,000)		(7,739,000)
	$	**-**	**$**	**-**

The Company has non-capital losses of $6,525,000 as of February 28, 2023 (as of February 28, 2022 – $5,303,000) which are available to reduce future year's taxable income. The non-capital losses will commence to expire in 2037 through 2043 if not utilized. Management estimates future income recoverability using forecasts based on the based available current information.

NOTE 14 – EVENTS AFTER REPORTING PERIOD

On March 3, 2023, the Company closed the second tranche of the private placement announced in February 2023 consisting of 140,000 units for gross aggregate proceeds of $35,000.

On March 22, 2023, the Company closed a non-brokered private placement by issuance of 1,341,666 units at a price of $0.15 per unit for gross proceeds of $201,250. Each unit consists of one common share and one-half warrant, with each entitling the holder to purchase one additional share at a price of $0.375 for a period of 36 months following the issuance. Finder's commission of 53,333 finder's warrants exercisable at a price of $0.15 each into 53,333 units of the Company were issued in connection with the closing of the Offering. Each finder unit consists of one share and one-half of one warrant, with each warrant entitling the holder to purchase one share at a price of $0.375 for a period of 36 months following the issuance.

On March 22, 2023, the Company granted 1,900,000 stock options to certain officers, directors, and consultants of the Company for the purchase of up to 1,900,000 common shares. Each option vested immediately and is exercisable for a period of five years at an exercise price of $0.145 per common share; 150,000 of these stock options were exercised on June 1, 2023 and 350,000 of these stock options were exercised on April 26, 2023.

On March 24, 2023, the Company granted 50,000 stock options to a consultant for the purchase of up to 50,000 common shares. Each option vested immediately and is exercisable for a period of five years at an exercise price of $0.135 per common share.

Between March 9, 2023 and June 9, 2023, the Company issued an aggregate 1,182,110 common shares to consultants for services and debt settlement.