CARLYLE
COMMODITIES

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

For the years ended February 29, 2024 and February 28, 2023

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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 29, 2024 and February 28, 2023, 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 material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2024 and February 28, 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company's ability to continue in the normal course of operations is dependent on its ability to raise equity or debt. 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.

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

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

June 26, 2024

CARLYLE COMMODITIES CORP.

Consolidated Statements of Financial Position
For the years ended February 29, 2024 and February 28, 2023
Expressed in Canadian Dollars

As at	Notes		February 29, 2024		February 28, 2023 *(Restated - Note 3)*
ASSETS					
Current					
Cash		$	102,056	$	562,840
Receivables	8		111,246		73,551
Loan receivable	8		50,000		50,000
Prepaid expenses and deposits	4		-		329,530
Total current assets			263,302		1,015,921
Non-current assets					
Restricted cash	5		40,000		40,000
Equipment			2,204		2,935
Exploration and evaluation assets	5		6,430,746		5,580,870
TOTAL ASSETS		**$**	**6,736,252**	**$**	**6,639,726**
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	8	$	353,363	$	642,273
Loans payable	8		100,000		-
Flow-through premium liability	6		24,143		-
Total liabilities		$	477,506	$	642,273
SHAREHOLDERS' EQUITY					
Share capital	6	$	20,436,920	$	18,078,462
Reserves	7		3,749,948		3,113,323
Accumulated deficit			(17,928,122)		(15,194,332)
Total shareholders' equity		$	6,258,746	$	5,997,453
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**6,736,252**	**$**	**6,639,726**

Events after reporting period (Note 12)
Approved on behalf of the Board of Directors on June 26, 2024

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

CARLYLE COMMODITIES CORP.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended February 29, 2024 and February 28, 2023
Expressed in Canadian Dollars except number of shares

For the year ended	Notes		February 29, 2024		February 28, 2023
General and administrative expenses					
Bank and interest charges		$	2,720	$	12,916
Consulting fees	8		579,849		572,592
Depreciation			731		846
Investor relations			876,060		222,320
Management fees	8		345,556		389,789
Office costs			99,156		113,565
Professional fees			128,716		175,421
Share-based payments	6,8		733,308		784,050
Transfer agent and filing fees			48,543		78,074
Travel and entertainment			48,924		68,657
Total general and administrative expenses		$	(2,863,563)	$	(2,418,230)
Other income (expenses)					
Loss on debt and trade payables settlement	6		(26,154)		29,394
Flow-through premium recovery	6		155,927		25,000
Net loss and comprehensive loss		**$**	**(2,733,790)**	**$**	**(2,363,836)**
Basic and diluted loss per common share		**$**	**(0.08)**	**$**	**(0.19)**
Weighted average number of common shares outstanding – basic and diluted			**35,473,441**		**12,208,935**

CARLYLE COMMODITIES CORP.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended February 29, 2024 and February 28, 2023
Expressed in Canadian Dollars except number of shares

	Number of shares		Share capital (restated - Note 3)		Reserves (restated - Note 3)		Accumulated Deficit		Total shareholders' equity
Balance - February 28, 2022 – as previously reported	**6,774,693**	**$**	**15,375,237**	**$**	**2,282,081**	**$**	**(12,830,496)**	**$**	**4,826,822**
Units issued in private placements	16,414,998		2,602,950		33,300		-		2,636,250
Flow-through premium liability recognized	-		(25,000)		-		-		(25,000)
Finders' warrants issued	-		-		127,255		-		127,255
Share issuance costs – as restated	-		(253,639)		(4,313)		-		(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 – as restated	**24,233,683**	**$**	**18,078,462**	**$**	**3,113,323**	**$**	**(15,194,332)**	**$**	**5,997,453**
Units issued in private placements	19,806,954		2,150,125		26,425		-		2,176,550
Flow-through premium liability recognized	-		(180,070)		-		-		(180,070)
Finders' warrants issued	-		-		49,522		-		49,522
Share issuance costs	-		(132,340)		(608)		-		(132,948)
Warrants exercised	8,480		2,841		(1,569)		-		1,272
Stock options exercised	1,500,000		357,453		(170,453)		-		187,000
Shares issued to settle trade payables	1,413,022		160,449		-		-		160,449
Share-based payments	-		-		733,308		-		733,308
Loss and comprehensive loss	-		-		-		(2,733,790)		(2,733,790)
Balance - February 29, 2024	**46,962,139**	**$**	**20,436,920**	**$**	**3,749,948**	**$**	**(17,928,122)**	**$**	**6,258,746**

CARLYLE COMMODITIES CORP.
Consolidated Statements of Cash Flows
For the years ended February 29, 2024 and February 28, 2023
Expressed in Canadian Dollars except number of shares

For the year ended		February 29, 2024		February 28, 2023
Cash (used in) provided by:				
OPERATING ACTIVITIES				
Loss for the year	**$**	**(2,733,790)**	**$**	**(2,363,836)**
Non-cash items:				
Depreciation		731		846
Loss (gain) on settlement of trade payables		26,154		(29,394)
Flow-through premium income		(155,927)		(25,000)
Share-based payments		733,308		784,050
Changes in non-cash working capital items				
Receivables		(37,695)		(50,608)
Prepaid expenses and deposits		329,530		(316,405)
Trade payables and accrued liabilities		184,039		247,109
Net cash used in operating activities	**$**	**(1,653,650)**	**$**	**(1,753,238)**
INVESTING ACTIVITIES				
Expenditures on exploration and evaluation assets	$	(1,202,057)	$	(442,600)
Loan repayments received		-		5,040
Net cash used in investing activities	**$**	**(1,202,057)**	**$**	**(437,560)**
FINANCING ACTIVITIES				
Proceeds from private placement	$	2,176,550	$	2,636,250
Share issuance costs		(69,899)		(130,697)
Proceeds from warrants exercised		1,272		-
Proceeds from stock options exercised		187,000		113,500
Advances from related parties		-		50
Loans received		110,000		-
Loan repayments made		(10,000)		-
Net cash provided by financing activities	**$**	**2,394,923**	**$**	**2,619,103**
Net (decrease) increase in cash in the year	**$**	**(460,784)**	**$**	428,305
Cash – beginning of the year	**$**	**562,840**	**$**	134,535
Cash – end of the year	**$**	**102,056**	**$**	**562,840**

Supplemental cash flow information

For the year ended		February 29, 2024		February 28, 2023
Exploration and evaluation asset additions in trade payables	$	12,288	$	364,469
Share issuance costs included in trade payables		13,527		-
Fair value of shares issued for exploration and evaluation asset		-		17,325
Settlement of trade payables and debt through share issuance		160,449		139,039
Fair value of finders' warrants		49,522		127,255
Fair value of warrants reclassified from reserves on exercise		1,569		-
Fair value of stock options reclassified from reserves on exercise		170,453		-

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.

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. The Company's ability to continue in the normal course of operations is dependent on its ability to raise equity or debt 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.

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 – MATERIAL ACCOUNTING POLICY INFORMATION

The Company's material accounting policy information 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 and loan payable, 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.

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 residual value method with respect to the measurement of common shares and warrants issued as private placement units. When determining the fair value of equity units issued in private placements, the fair value of the common shares issued in private placements is determined to be the more easily measurable component and is valued at fair value, as determined by the closing price on the closing date. The balance, if any, is allocated to the attached warrants. Warrants that are issued as payment for an agency fee or other transaction costs are accounted for as share-based payments.

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.

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.

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.

Change in Accounting Policy

Effective March 1, 2023, the Company changed its accounting policy for the valuation of common shares and warrants issued as part of private placement units. The Company previously used the relative fair value method, whereby each component of the unit was allocated on a pro-rata basis, based on the fair value of the components calculated independently of one another, with the warrants valued using an option pricing model. Under the new residual value policy, the fair value of the common shares issued in private placements is determined to be the more easily measurable component and is valued at fair value, as determined by the closing price on the closing date. The balance, if any, is allocated to the attached warrants. The Company believes that this policy is more in line with common industry practice and provides more reliable financial information, eliminating the use of estimates in valuing the warrants using an option pricing model.

The Company has accounted for this change in accounting policy on a retrospective basis. There was no impact to the balances reported in the Company’s statement of financial position at February 28, 2022.

Expressed in Canadian Dollars except otherwise noted

The changes in accounting policy resulted in the following changes to the Company's consolidated financial statements:

Consolidated Statement of Financial Position as at February 28, 2023:

	As previously reported	Effect of change in accounting policy(i)	As restated under new policy
SHAREHOLDERS' EQUITY			
Share Capital	$ 17,394,759	$ 683,703	$ 18,078,462
Reserves	3,797,026	(683,703)	3,113,323
Accumulated Deficit	(15,194,332)	-	(15,194,332
Total shareholders' equity	**$ 5,997,453**	**$ -**	**$ 5,997,453**

(i) The change resulted in a reduction of the values attributed to warrants for private placement units granted during the year ended February 28, 2023.

Consolidated Statement of Changes in Shareholders' Equity as at February 28, 2023:

	As previously reported	Effect of change in accounting policy(ii)	As restated under new policy
Share Capital as at February 28, 2022	**$ 15,375,237**	**$ -**	**$ 15,375,237**
Units issued in private placements	1,846,119	756,831	2,602,950
Flow-through premium	(25,000)	-	(25,000)
Share issuance costs	(180,511)	(73,128)	(253,639)
Stock options exercised	222,550	-	222,550
Shares issued to settle trade payables	156,364	-	156,364
Share capital as at February 28, 2023	**$ 17,394,759**	**$ 683,703**	**$ 18,078,462**
Reserves as at February 28, 2022	**$ 2,282,081**	**$ -**	**$ 2,282,081**
Units issued in private placements	790,131	(756,831)	33,300
Finders' warrants issued	127,255	-	127,255
Share issuance costs	(77,441)	73,128	(4,313)
Stock options exercised	(109,050)	-	(109,050)
Share-based payments	784,050	-	784,050
Reserves at February 28, 2023	**$ 3,797,026**	**$ (683,703)**	**$ 3,113,323**

(ii) The change resulted in a reduction of the values attributed to warrants for private placement units granted during the year ended February 28, 2023.

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. These amendments are not expected 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. The amendments were effective January 1, 2023, with early adoption permitted. Prospective application is required on adoption. Other than changes to the Company's accounting policy disclosures, these amendments did not have a material effect on the Company's consolidated financial statements.

NOTE 4 – PREPAID EXPENSES AND DEPOSITS

		February 29, 2024		February 28, 2023
Consulting fees	$	-	$	73,333
Advertising and marketing		-		211,667
Investor relations		-		15,989
Management fees		-		10,000
Regulatory fees		-		18,541
Legal fees		-		-
Total prepaid expenses and deposits	**$**	**-**	**$**	**329,530**

NOTE 5 – EXPLORATION AND EVALUATION ASSETS

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 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.

Expressed in Canadian Dollars except otherwise noted

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

		Newton
Acquisition costs:		
Balance, February 28, 2022	**$**	**4,632,993**
Advanced royalty payment		**25,000**
Balance, February 28, 2023	**$**	**4,657,993**
Advanced royalty payment		**25,000**
Balance, February 29, 2024	**$**	**4,682,993**
Exploration costs:		
Balance, February 28, 2022	**$**	**123,483**
Permitting		83,335
Targeting, planning and logistics		48,625
Equipment rental		33,076
Field personnel		150,772
Drilling		292,982
Assaying		45,572
Fuel		3,527
Consumables		37,459
Travel and meals		86,005
Project management		18,041
Balance, February 28, 2023	**$**	**922,877**
Permitting		20,159
Targeting, planning and logistics		58,082
Equipment rental		41,204
Field personnel		212,588
Drilling		347,002
Assaying		42,204
Fuel		8,306
Consumables		10,418
Travel and meals		65,754
Project management		19,159
Balance, February 29, 2024	**$**	**1,747,753**
Balance, February 28, 2023	**$**	**5,580,870**
Balance, February 29, 2024	**$**	**6,430,746**

NOTE 6 – SHARE CAPITAL

Authorized
Unlimited number of common shares without par value.

Issued Share Capital
During the year ended February 29, 2024, the Company:

(a) Closed the second tranche of the non-brokered private placement announced in February 2023 consisting of 140,000 units for gross proceeds of $35,000.

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. Using the residual value method, proceeds from the private placement of $6,300 were allocated to reserves.

(b) Closed a non-brokered private placement by issuing 1,341,664 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 three years following the issuance. Using the residual value method, proceeds from the private placement of $20,125 were allocated to reserves.

In connection with the offering, the Company issued 53,333 finders' warrants, exercisable at a price of $0.15 each into 53,333 units, valued at $6,080. 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 three years following the issuance. The finders' warrants were valued using the Black-Scholes pricing model with following assumptions: (i) share price of $0.135, (ii) expected life of three years, (iii) dividend yield of 0%, (iv) risk-free rate of 4.02%, and (v) expected volatility of 163.5%.

(c) Closed the first tranche of a non-brokered private placement by issuing 7,617,823 units at a price of $0.085 per unit for gross proceeds of $647,515. Each unit consists of one common share and one warrant, with each entitling the holder to purchase one additional share at a price of $0.15 for a period of three years following the issuance.

In connection with the offering, the Company paid finders' fees of $7,188 and issued 84,560 finders' warrants, exercisable at a price of $0.15 each into 84,560 common shares of the Company, valued at $6,680. The finders' warrants were valued using the Black-Scholes pricing model with following assumptions: (i) share price of $0.10, (ii) expected life of three years, (iii) dividend yield of 0%, (iv) risk-free rate of 4.51%, and (v) expected volatility of 152%.

(d) Closed the second tranche of a non-brokered private placement by issuing 6,205,705 units at a price of $0.085 per unit for gross proceeds of $527,485. Each unit consists of one common share and one warrant, with each entitling the holder to purchase one additional share at a price of $0.15 for a period of three years following the issuance.

In connection with the offering, the Company paid finders' fees of $4,969 and issued 58,400 finders' warrants, exercisable at a price of $0.085 each into 58,400 common shares of the Company, valued at $6,541. The finders' warrants were valued using the Black-Scholes pricing model with following assumptions: (i) share price of $0.13, (ii) expected life of three years, (iii) dividend yield of 0%, (iv) risk-free rate of 4.40%, and (v) expected volatility of 152.4%. In connection with the offering, the Company incurred other closing costs of $6,709.

(e) Closed a non-brokered flow-through private placement by issuing 4,501,762 flow-through units at a price of $0.17 per unit for gross proceeds of $765,300. Each unit consists of one flow-through common share and one half of one non-flow-through warrant, with each whole warrant entitling the holder to purchase one non-through-share at a price of $0.30 for a period of two years following the issuance. 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 $180,070. During the year ended February 29, 2024, the Company incurred approximately 87% of the required flow-through expenditures under the issuance and $155,927 was recognized to net loss.

In connection with the offering, the Company paid finders' fees of $57,740 and issued 324,941 finders' warrants, exercisable at a price of $0.17 each into 324,941 common shares of the Company, valued at $30,220. The finders' warrants were valued using the Black-Scholes pricing model with following assumptions: (i) share price of $0.13, (ii) expected life of two years, (iii) dividend yield of 0%, (iv) risk-free rate of 4.15%, and (v) expected volatility of 158.8%. In connection with the offering, the Company incurred other closing costs of $6,819.

(f) Issued an aggregate of 1,500,000 common shares for stock options exercised at an average price of $0.125 per common share for proceeds of $187,000. Upon exercise, $170,453 relating to the fair value of the stock options was reclassified from reserves to share capital.

(g) Issued an aggregate of 8,480 common shares for warrants exercised at an average price of $0.15 per common share for proceeds of $1,272. Upon exercise, $1,569 relating to the fair value of the stock options was reclassified from reserves to share capital.

(h) Issued 1,413,002 common shares valued at $160,449 to consultants to settle trade payables and accrued liabilities valued at $134,295. The Company recognized a loss on settlement of trade payables and accrued liabilities equal to $26,154 in the statement of loss.

During the year ended February 28, 2023, the Company:

(a) Closed a non-brokered private placement by issuing 14,674,998 units 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 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 $0.30 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 option pricing model with the following range of assumptions: risk-free rates of 3.78%-4.11%, expected common share price volatilities of 195.6%-196.6%, dividend yield of 0%, and expected life of 3 years.

(b) 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.

(c) Closed a first tranche of private placement by issuing 740,000 units 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%

(d) 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.

(e) 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.

Expressed in Canadian Dollars except otherwise noted

NOTE 7 – RESERVES

Warrants

	Number of warrants		Weighted Average Exercise Price
Balance, February 28, 2022	2,887,264	**$**	**3.34**
Issued	8,944,965		0.30
Cancelled	(200,000)		-
Expired	(131,465)		7.24
Balance, February 28, 2023	**11,500,764**	**$**	**0.93**
Issued	17,336,473		0.18
Exercised	(8,480)		0.15
Expired	(973,100)		5.00
Balance, February 29, 2024	**27,855,657**	**$**	**0.32**

Warrants outstanding as of February 29, 2024 are as follows:

Expiry Date	Exercise Price, $	Outstanding warrants	Outstanding and exercisable warrants
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
March 27, 2025	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	123,520	123,520
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
March 3, 2026	0.38	70,000	70,000
March 22, 2026	0.38	670,832	670,832
March 22, 2026	0.15	53,333	53,333
August 18, 2026	0.15	7,617,823	7,617,823
August 18, 2026	0.15	84,560	84,560
August 30, 2026	0.15	6,205,705	6,205,705
August 30, 2026	0.15	58,400	58,400
December 8, 2025	0.30	2,250,879	2,250,879
December 8, 2025	0.17	324,941	324,941
	0.32	**27,855,657**	**27,855,657**

The weighted average remaining contractual life of warrants, outstanding as of February 29, 2024, is 2.05 years (February 28, 2023 – 2.33 years).

Stock options

Expressed in Canadian Dollars except otherwise noted

	Number of options		Weighted Average Exercise Price
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**
Granted	6,550,000		0.12
Cancelled	(191,505)		1.10
Expired	(39,465)		17.50
Exercised	(1,500,000)		0.12
Balance, February 29, 2024	**7,980,000**	**$**	**0.25**

The weighted average fair value of incentive stock options granted during the year ended February 29, 2024, was $0.11 (February 28, 2023 - $0.24). The weighted average fair value of share price at the time of exercise during the year ended February 29, 2024, was $0.15 (February 28, 2023 - $0.31). Total share-based payments recognized in the for the year ended February 29, 2024 was $733,308 (February 28, 2023 - $784,050) and classified as expense in the statement of loss and comprehensive loss.

The fair value of incentive stock options at the date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

For the years ended		February 29, 2024		February 28, 2023
Weighted average exercise price	$	0.125	$	0.253
Risk-free interest rate		3.51%		3.11%
Expected life (years)		4.86		5.00
Expected volatility		174%		181%
Expected dividends		0%		0%
Forfeiture rate		0%		0%

Stock options outstanding and exercisable as of February 29, 2024 are as follows:

Expiry Date	Exercise Price, $	Outstanding options	Outstanding and exercisable options
May 15, 2025	1.50	102,500	102,500
February 19, 2026	1.40	127,500	127,500
November 14, 2027	0.22	1,550,000	1,550,000
January 11, 2028	0.31	1,000,000	1,000,000
January 27, 2028	0.33	150,000	150,000
March 22, 2028	0.15	1,400,000	1,400,000
March 24, 2028	0.14	50,000	50,000
September 12, 2028	0.13	1,800,000	1,800,000
October 18, 2025	0.17	300,000	300,000
January 22, 2029	0.09	1,500,000	1,500,000
	0.21	**7,980,000**	**7,980,000**

The weighted average remaining contractual life of stock options outstanding and exercisable as of February 29, 2024 is 4.18 years (February 28, 2023 – 4.49 years).

Expressed in Canadian Dollars except otherwise noted

NOTE 8 – 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 29, 2024		February 28, 2023
Management fees	$	339,582	$	336,281
Consulting fees		30,000		30,000
Exploration costs		453,407		-
Share-based payments		214,591		144,900
Total compensation	**$**	**1,037,580**	**$**	**511,181**

Due to related parties
As of February 29, 2024, $131,274 (February 28, 2023 - $339,098) was included in trade payables and accrued liabilities for fees owed to related parties, the amounts owing are non-interest bearing and due on demand.

As of February 29, 2024, the Company had the following balances originated from transactions with a legal entity controlled by CEO:

As at		February 29, 2024		February 28, 2023
Receivables	$	238	$	187
Loans receivable		50,000		50,000
	$	**50,238**	**$**	**50,187**

The receivables and loans receivable are non-interest bearing and due on demand.
During the year ended February 29, 2024 a legal entity with the officer in common advanced a series of loans totalling $110,000. The loans bear no interest and are due within one year. During the year ended February 29, 2024, $10,000 was repaid. As at February 29, 2024, maturities on outstanding loans are as follows:

- $75,000 - due January 24, 2025
- $25,000 - due February 26, 2025

NOTE 9 – 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, receivables, 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.

Expressed in Canadian Dollars except otherwise noted

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
Loan receivable	Amortized cost
Financial liabilities	
Trade payables and accrued liabilities	Amortized cost
Loan payable	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 29, 2024, 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	$ 353,363	$ 353,363	$ 353,363	$ -	$ -
Loans payable	$ 100,000	100,000	100,000		
Totals	**$ 453,363**	**$ 453,363**	**$ 453,363**	**$ -**	**$ -**

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.

Expressed in Canadian Dollars except otherwise noted

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 10 – SEGMENT REPORTING

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

NOTE 11 – 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% (2023 – 27%) to income (loss) before tax as follows:

		2024		2023
Loss before taxes	$	(2,733,790)	$	(2,363,836)
Statutory income tax rate		27%		27%
Expected recovery at statutory rate	$	(738,000)	$	(638,000)
Increase (decrease) in taxes resulting from:				
Non-taxable expenditures and other	$	318,000	$	377,000
Origination and reversal of temporary differences		420,000		261,000
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:

		2024		2023
Non-capital loss carried forward	$	8,701,000	$	6,525,000
Share issuance costs		145,000		127,000
Exploration and evaluation assets		1,411,000		2,048,000
Property and equipment		6,000		6,000
Total		**10,263,000**		**8,706,000**
Unrecognized deferred tax asset		(10,263,000)		(8,706,000)
	$	**-**	**$**	**-**

The Company has non-capital losses of $8,701,000 as of February 28, 2024 (February 28, 2023 – $6,525,000) 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 12 – EVENTS AFTER REPORTING PERIOD

Subsequent to the year ended February 29, 2024, the Company:

a) Granted 1,000,000 stock options to various consultants of the Company with an exercise price of $0.055 and life of five years.

b) Issued an aggregate of 500,000 on the exercise of stock options for gross proceeds of $27,500.

c) closed the first tranche of a non-brokered private placement by issuing 2,400,000 units at a price of $0.05 per unit for gross proceeds of $120,000. Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional common share at a price of $0.10 per share for a period of 36-months. In connection with the offering, the Company paid finders' fees of $4,000 and issued 80,000 finders' warrants exercisable at a price of $0.05 for a period of 36-months.

d) Issued an aggregate of 147,619 common shares to settle trade payables and accrued liabilities valued at $7,500.