SILVER SANDS
RESOURCES CORP

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2023 AND 2022

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Silver Sands Resources Corp.

Opinion

We have audited the financial statements of Silver Sands Resources Corp. (the "Company"), which comprise the statements of financial position as at January 31, 2023 and 2022, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 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 had an accumulated deficit of $10,036,342 as at January 31, 2023. 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 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

May 31, 2023

SILVER SANDS RESOURCES CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at		January 31, 2023		January 31, 2022
ASSETS				
CURRENT				
Cash	$	**440,063**	$	261,607
Prepaid expenses		**12,571**		12,139
GST receivable		**6,220**		7,360
		458,854		281,106
NON-CURRENT				
Reclamation deposit (Note 4)		**51,200**		-
Exploration and evaluation assets (Note 4)		**500,000**		5,113,252
		551,200		5,113,252
TOTAL ASSETS	**$**	**1,010,054**	$	5,394,358
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT				
Accounts payable and accrued liabilities (Note 5)	$	**85,150**	$	29,362
		85,150		29,362
SHAREHOLDERS' EQUITY				
Share capital (Note 6)	$	**9,750,374**	$	7,717,731
Contributed surplus		**1,210,872**		1,033,943
Deficit		**(10,036,342)**		(3,386,678)
Total shareholders' equity		**924,904**		5,364,996
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**1,010,054**	$	5,394,358

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENTS (Note 4)
SUBSEQUENT EVENTS (Note 4)

Approved and authorized for issue on behalf of the Board on May 31, 2023.

"Keith Anderson" Director *"Alexander Helmel"* Director

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

SILVER SANDS RESOURCES CORP.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

		Year ended January 31, 2023		Year ended January 31, 2022
EXPENSES				
Advertising and promotion	$	**9,068**	$	368,973
Consulting fees (Note 7)		**276,000**		291,000
Impairment of exploration and evaluation assets (Note 4)		**5,984,240**		-
Management fees (Note 7)		**120,000**		120,000
Office and Miscellaneous		**20,666**		11,261
Professional fees		**25,464**		26,874
Share-based payments (Notes 6 and 7)		**152,576**		39,671
Transfer agent and filing fees		**61,650**		52,054
NET LOSS AND COMPREHENSIVE LOSS	$	**6,649,664**	$	909,833
LOSS PER SHARE (basic and diluted)	$	**(0.09)**	$	(0.02)
WEIGHED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (basic and diluted)		**76,875,709**		58,085,957

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

SILVER SANDS RESOURCES CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Common Shares				
	Number of Shares	Amount	Contributed Surplus	Deficit	Total
		$	$	$	$
Balance, January 31, 2021	**55,926,241**	**6,935,028**	**1,021,116**	**(2,476,845)**	**5,479,299**
Shares issued for exercise of warrants	217,796	33,279	(11,499)	-	21,780
Shares issued for exercise of options	150,000	34,095	(15,345)	-	18,750
Shares issued for exploration assets	2,805,212	715,329	-	-	715,329
Share-based payments	-	-	39,671	-	39,671
Net loss for the year	-	-	-	(909,833)	(909,833)
Balance, January 31, 2022	**59,099,249**	**7,717,731**	**1,033,943**	**(3,386,678)**	**5,364,996**
Shares issued for private placements	13,450,000	1,265,583	24,353	-	1,289,936
Shares issued for exploration assets	7,827,462	767,060	-	-	767,060
Share-based payments	-	-	152,576	-	152,576
Net loss for the year	-	-	-	(6,649,664)	(6,649,664)
Balance, January 31, 2023	**80,376,711**	**9,750,374**	**1,210,872**	**(10,036,342)**	**924,904**

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

SILVER SANDS RESOURCES CORP.
STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)

		Year ended January 31, 2023		Year ended January 31, 2022
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the year	$	**(6,649,664)**	$	(909,833)
Items not involving cash:				
Share-based payments		**152,576**		39,671
Impairment of exploration and evaluation assets		**5,984,240**		-
Changes in non-cash working capital balances:				
GST receivable		**1,140**		53,769
Accounts payable and accrued liabilities		**38,936**		(18,451)
Prepaid expenses		**(432)**		118,912
Cash used in operating activities		**(473,204)**		(715,932)
INVESTING ACTIVITIES				
Reclamation deposit		**(51,200)**		-
Exploration and evaluation assets		**(587,076)**		(1,364,524)
Cash used in investing activities		**(638,276)**		(1,364,524)
FINANCING ACTIVITIES				
Net proceeds of issuance of common shares		**1,289,936**		40,530
Cash provided by financing activities		**1,289,936**		40,530
INCREASE (DECREASE) IN CASH		**178,456**		**(2,039,926)**
CASH, BEGINNING		**261,607**		2,301,533
CASH, ENDING	**$**	**440,063**	**$**	**261,607**

Non-cash items:		**2023**		**2022**
Shares issued for exploration and evaluation assets	$	**767,060**	$	715,329
Exploration and evaluation asset additions in accounts payable		**(16,852)**		-
Fair value of broker warrants		**(24,354)**		-

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

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

a) Nature of operations

Silver Sands Resources Corp. (the "Company" or "Silver Sands") was incorporated on January 31, 2018 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 830-1100 Melville Street, Vancouver, British Columbia, Canada. On, November 27, 2019, the Company's common shares commenced trading on the Canadian Securities Exchange (the "Exchange"). On June 8, 2020, the Company changed its name to Silver Sands Resources Corp. and changed its symbol to "SAND".

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at January 31, 2023, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a deficit of $10,036,342 as at January 31, 2023. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

b) Statement of compliance

These financial statements have been prepared in accordance 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 financial statements were authorized for issue in accordance with a resolution from the Board of Directors on May 31, 2023.

c) Basis of presentation

The financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company's financial statements are presented in Canadian dollars, which is the Company's functional currency.

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Exploration and evaluation assets (continued)

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

c) Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

d) Share-based payments

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Share-based payments (continued)

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

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

f) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

g) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

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

h) Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates (“the functional currency”), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

i) Decommissioning, restoration and similar liabilities

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Decommissioning, restoration and similar liabilities (continued)

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is minimal.

j) Loss per share

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

k) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

l) Financial instruments

<u>Financial assets</u>

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three categories of financial assets: Measured at amortization cost after initial recognition, at fair value through other comprehensive income (“FVOCI”) and at fair value through profit or loss (“FVTPL”).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial instruments (continued)

Financial assets (continued)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Equity instruments are generally classified as FVTPL. For equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at FVOCI with only dividend income recognized in profit or loss.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An 'expected credit loss' impairment model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined, and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account, and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

All financial liabilities are designated as either: (i) FVTPL; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial instruments (continued)

Financial liabilities (continued)

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

As at January 31, 2023, the Company classified its financial instruments as follows:

Financial asset/ liability	IFRS 9 classification
Cash	FVTPL
GST receivable	Amortized cost
Reclamation deposit	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

m) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

n) New accounting standards

Other new accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Significant accounting estimates

i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;
ii. the measurement of deferred income tax assets and liabilities; and,
iii. the inputs used in accounting for share-based payments.

Significant accounting judgments

i. the determination of categories of financial assets and financial liabilities; and
ii. the evaluation of the Company's ability to continue as a going concern.

4. EXPLORATION AND EVALUATION ASSETS

Corner Pocket Project

On March 8, 2022, the Company acquired the Corner Pocket copper-zinc-silver-massive-sulphide project in Newfoundland ("Corner Pocket") for consideration of cash payments, share issuances, and exploration expenditures as follows:

Cash payments:
- $20,000 on signing (paid)

Share issuances:
- 4,000,000 shares in the capital of the Company (issued on March 21, 2022 with a fair value of $480,000)

Exploration expenditures *:
- complete $250,000 of exploration expenditures by March 8, 2024.

If the Company fails to incur the exploration expenditures within the specified period, the Corner Pocket property is immediately transferred back to the vendor free and clear of any liens and the Company must ensure that claims are all in good standing and that at least one year of assessment work has been filed and applied in connection with the Corner Pocket.

The vendor shall retain a 3% net smelter return royalty, which may be reduced from 3% to 1% at any time prior to commencement of commercial production on payment by the Company to the vendor of $2,000,000.

During the year ended January 31, 2023, the Company paid a reclamation deposit of $51,200 which is held by regulatory authorities and will be released to the Company on satisfactory restoration of the property.

Virginia Silver Project, Santa Cruz, Argentina

On May 20, 2020, the Company closed the Virginia Silver acquisition with Mirasol Resources Ltd. ("Mirasol"), allowing the Company to earn a 100% interest, subject to a 3% Net Smelter Royalty ("NSR"), by making cash payments, share issuances, and exploration expenditures as follows:

Cash payments *:
- US$25,000 payment on execution of the original letter of intent (paid)
- US$25,000 payment on signing the agreement with Mirasol (paid)

** Cash payments will be applied as a credit towards year one exploration expenditures below.*

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Virginia Silver Project, Santa Cruz, Argentina (continued)

Share issuances:

- 9.9% of the issued and outstanding shares of the Company upon signing of the agreement: (3,745,269 shares issued on May 20, 2020);
- the number of shares equivalent to 5% of the Company on first anniversary date (2,805,212 shares issued on May 20, 2021);
- the number of shares equivalent to 5% of the Company on second anniversary date (3,827,462 shares issued on May 20, 2022); and
- the number of shares required such that Mirasol's holdings are 19.9% of the Company on the third anniversary date following the issuance of the shares.

Exploration expenditures:

- complete USD $1,000,000 * of exploration expenditures on the property within year one;
- complete USD $2,000,000 * of exploration expenditures on the property within year two; and
- complete USD $3,000,000 * of exploration expenditures on the property within year three.

Subsequent to the year ended January 31, 2023, the Company terminated its option agreement with Mirasol and accordingly, the accumulated acquisition, reclamation, exploration, and evaluation expenditures of $5,984,240 were written off.

A summary of expenditures at the Company's projects is outlined in the following table:

	Virginia Silver Argentina	Corner Pocket Project	Total
Balance, January 31, 2021	$ **3,033,399**	$ **-**	$ 3,033,399
Property acquisition costs	715,329	-	715,329
Exploration costs			
Geological	1,364,524	-	1,364,524
Balance, January 31, 2022	$ 5,113,252	$ -	$ 5,113,252
Property acquisition costs	287,060	500,000	**787,060**
Exploration costs			
Geological	567,076	-	**567,076**
Reclamation costs	16,852	-	**16,852**
Impairment	(5,984,240)	-	**(5,984,240)**
Balance, January 31, 2023	**$ -**	**$ 500,000**	**$ 500,000**

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2023	January 31, 2022
Accounts payable	$ 61,133	$ 9,362
Accrued liabilities	24,017	20,000
	$ 85,150	**$ 29,362**

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Share Issuances:

During the year ended January 31, 2023

Pursuant to a property option agreement with Mirasol on May 20, 2022, the Company issued 3,827,462 common shares with a fair value of $287,060 (note 4).

On March 24, 2022, the Company closed a private placement for gross proceeds of $1,345,000 through the issuance of 13,450,000 units at a price of $0.10 per unit. Each unit consists of one common share and one half of warrant.

Each warrant entitles the holder to acquire one share at a price of $0.15 per share for a period of 24 months following the date of issuance. The warrants are subject to an acceleration right that allows the Company to give notice of an earlier expiry date if the Company's share price on the Exchange is equal to or greater than $0.30 for a period of 10 consecutive trading days. The Company has paid 8% cash finders' fees totaling $45,600, legal fees of $9,464 and issued 456,000 finder's warrants which have the same terms as the subscribers' warrants described above. The fair value of the finder’s warrants was calculated using the Black-Scholes model with the following assumptions: average exercise price $0.15, expected life 2 years, risk-free dividend equivalent yield 2.05%, annualized volatility 106%, dividend rate 0%. Accordingly, the fair value of these finder’s warrants was calculated to be $24,353.

Pursuant to the Corner Pocket mineral project agreement, on March 21, 2022, the Company issued 4,000,000 common shares with a fair value of $480,000.

During the year ended January 31, 2022:
Pursuant to a property option agreement with Mirasol on May 20, 2020, the Company issued 2,805,212 common shares with a fair value of $715,329 (note 4).

The Company issued 150,000 common shares pursuant to the exercise of 150,000 options at $0.125 per share for proceeds of $18,750.

The Company issued 217,796 common shares pursuant to the exercise of 217,796 warrants at $0.10 per share for proceeds of $21,780.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

c) Warrants:

Warrant transactions and the number warrants outstanding are summarized as follows:

	Number of warrants	Weighted average exercise price ($)
Balance, January 31, 2021	19,584,830	0.26
Expired	(1,270,000)	0.25
Exercised	(217,796)	0.10
Outstanding, January 31, 2022	18,097,034	0.27
Issued	7,181,000	0.15
Expired	(18,097,034)	0.27
Outstanding, January 31, 2023	**7,181,000**	**0.15**

The following table summarizes the warrants outstanding as at January 31, 2023:

Exercise price	Number of warrants outstanding and exercisable	Expiry date
$0.15	**7,181,000**	March 23, 2024

Weighted average remaining warrant life at January 31, 2023: 1.14 years.

d) Stock Options

The Company adopted a Stock Option Plan (the "Plan"). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees, and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12-month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12-month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued common shares of the Company. As well, stock options granted under the Plan may be subject to vesting provisions as determined by the Board of Directors.

On April 22, 2022, the Company granted an aggregate of 1,500,000 stock options to directors and consultants at an exercise price of $0.15 for a period of five years, expiring on April 22, 2027. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: average exercise price $0.15, expected life 5 years, risk-free dividend equivalent yield 2.795%, annualized volatility 130%, dividend rate 0%. Accordingly, the fair value of these options was calculated to be $152,576.

On October 26, 2021, the Company granted 200,000 stock options to consultants of the Company at an exercise price of $0.165 for a period of five years from the date of grant, with all options vested immediately upon grant. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: average exercise price $0.165, expected life 5 years, risk-free dividend equivalent yield 1.336%, annualized volatility 130%, dividend rate 0%. Accordingly, the fair value of these options was calculated to be $28,337.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

d) Stock Options: (continued)

On February 12, 2021, the Company granted 50,000 stock options to consultants of the Company at an exercise price of $0.25 for a period of five years from the date of grant, with all options vested immediately upon grant. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: average exercise price $0.25, expected life 5 years, risk-free dividend equivalent yield 0.509%, annualized volatility 100%, dividend rate 0%. Accordingly, the fair value of these options was calculated to be $10,697.

Option transactions and the number of options outstanding are summarized as follows:

	Options Outstanding	**Weighted-Average Exercise Price**	**Weighted-Average Remaining Contractual Life (years)**
Outstanding, January 31, 2021	5,033,100	$0.19	4.27
Granted	250,000	$0.18	-
Exercised	(150,000)	$0.125	-
Outstanding, January 31, 2022	5,133,100	$0.19	3.34
Granted	1,500,000	$0.15	-
Outstanding, January 31, 2023	**6,633,100**	**$0.18**	**2.76**

The following table summarizes the options outstanding and exercisable as at January 31, 2023:

Exercise price	**Number of options outstanding and exercisable**	**Expiry date**
$0.10	450,000	19-Mar-24
$0.15	683,100	24-Jan-25
$0.22	150,000	20-May-25
$0.20	2,150,000	25-May-25
$0.225	1,100,000	20-Sep-25
$0.25	100,000	04-Nov-25
$0.255	250,000	04-Dec-25
$0.25	50,000	12-Feb-26
$0.17	200,000	26-Oct-26
$0.150	1,500,000	22-Apr-27
	6,633,100	

As at January 31, 2023, the weighted average remaining life of the stock options is 2.76 years.

7. RELATED PARTY BALANCES AND TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing, and controlling of the activities of the Company and include both executives and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the year ended January 31, 2023 the Company paid $156,000 (2022: $156,000) in consulting fees and $120,000 (2022: $120,000) in management fees to key management of the Company and incurred share-based payments of $152,576 (2022: $Nil) to key management of the Company.

At January 31, 2023, $15,750 (2022: $5,250) was owed to related parties.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

There was no change in the Company's approach to capital management during the year ended January 31, 2023.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has classified its cash measured at fair value in the statement of financial position using level 1 inputs. GST receivables is classified at amortized cost, and accounts payable are classified as other liabilities, and their fair values approximate their carrying values due to the short terms to maturity. The fair value of the Company's reclamation deposit approximate carrying value, which is the amount recorded on the statement of financial position.

Financial risk management objectives and policies

The Company's financial instruments include cash, loan payable, and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents, amounts receivable and reclamation bond. Cash are held with major Canadian financial institutions, amounts receivable primarily consist of GST receivable from the Government of Canada entities, and the reclamation deposit is held with a Newfoundland government organization. Management is of the view that the credit risk is low.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. INCOME TAX

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27.0% (2022 - 27.0%) to income before income taxes.

(Expressed in Canadian dollars)

10. INCOME TAX (continued)

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

		2023		2022
Net loss for the year	$	(6,649,664)	$	(909,833)
Statutory income tax rate		27%		27%
Income tax benefit computed at statutory tax rate		(1,795,000)		(246,000)
Permanent differences		530,000		215,000
Impact of flow-through shares		-		-
Share issue costs		(21,000)		(48,000)
Adjustment to prior years provision verses statutory tax		3,000		4,000
Unrecognized benefit of deferred income tax assets		1,283,000		75,000
Deferred income tax recovery	$	-	$	-

Significant unrecognized tax benefits and unused tax losses for which no deferred tax asset is recognized as of January 31 are as follows:

		2023		2022
Non-capital losses carried forward	$	759,000	$	602,000
Exploration and evaluation assets		1,602,000		479,000
Share issue costs		41,000		38,000
	$	2,402,000	$	1,119,000
Unrecognized deferred tax assets		(2,402,000)		(1,119,000)
	$	-	$	-

The Company has non-capital losses of approximately $2,851,000 available for carry-forward to reduce future years' income for income tax purposes, expiring starting 2042.