VOLATUS CAPITAL CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Volatus Capital Corp.

Opinion

We have audited the accompanying consolidated financial statements of Volatus Capital Corp. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2022 and 2021 and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Consolidated 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 consolidated 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company had a deficit of $1,417,068 as at January 31, 2022, which has been funded by the issuance of equity. As stated in Note 1, these events and conditions 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.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

May 31, 2022

VOLATUS CAPITAL CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
AS AT JANUARY 31,

	2022	2021
ASSETS		
Current assets		
Cash	$ 4,827	$ 2,172
Amounts receivable	150,080	21,052
Prepaid expenses	1,500	38,850
Loans receivable (Note 6)	-	231,767
Marketable securities (Note 4)	28,000	808,893
	184,407	1,102,734
Investment in Leigh Creek (Note 10)	3,887,170	3,887,170
Exploration and evaluation assets (Note 3)	6,297,161	4,202,377
Reclamation deposit	30,000	-
	$ 10,398,738	$ 9,192,281
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	$ 969,673	$ 730,877
Loan payable (Note 6)	146,393	-
	1,116,066	730,877
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	10,519,211	8,867,711
Reserves (Note 5)	180,529	180,529
Deficit	(1,417,068)	(586,836)
	9,282,672	8,461,404
	$ 10,398,738	$ 9,192,281

Nature and continuance of operations (Note 1)
Subsequent events (Note 12)

APPROVED ON BEHALF OF THE DIRECTORS:

"Fred Tejada"	Director	*"Jason Cubitt"*	Director
Fred Tejada		Jason Cubitt	

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

VOLATUS CAPITAL CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED JANUARY 31,

	2022	2021
Expenses		
Gain on sale of exploration and evaluation assets (Note 3)	$ -	$ (154,025)
Interest on loans receivable (Note 6)	(19,269)	(39,433)
Interest on loans payable (Note 6)	1,393	-
Management, director and consulting fees (Note 6)	144,250	438,665
Office and miscellaneous	14,628	12,269
Professional fees	98,301	99,090
Property investigation	2,200	36,982
Realized loss (gain) on marketable securities (Note 4)	150,056	(97,106)
Rent	40,525	27,000
Reversal of flow-through premium liability (Note 5)	(40,000)	(36,214)
Transfer agent and filling fees	31,622	26,998
Travel	-	4,855
Unrealized gain on marketable securities (Note 4)	(17,161)	(185,270)
Write-off of exploration and evaluation assets (Note 3)	423,687	133,795
Loss and comprehensive loss for the year	$ (830,232)	$ (267,606)
Loss per share – basic and diluted	$ (0.07)	$ (0.04)
Weighted average number of shares Outstanding – basic and diluted	12,371,205	6,889,205

The accompanying notes form an integral part of these consolidated financial statements

VOLATUS CAPITAL CORP.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Common Shares								
	Number of shares		Share Capital		Reserves		Deficit		Total
Balance, January 31, 2020	**1,160,417**	**$**	**563,851**	**$**	**120,671**	**$**	**(385,401)**	**$**	**299,121**
Private placement	4,535,597		1,566,963		-		-		1,566,963
Share issuance costs - cash	-		(6,740)		-		-		(6,740)
Flow-through share premium	-		(36,214)		-		-		(36,214)
Exercise of warrants	6,792		8,150		-		-		8,150
Fair value of shares issued on warrants exercised	-		4,971		(4,971)		-		-
Warrants issued	-		-		37,500		-		37,500
Warrants issued for exploration and evaluation assets	-		-		93,500		-		93,500
Shares issued for exploration and evaluation assets	3,450,822		3,725,899		-		-		3,725,899
Acquisition of MagMetal Tech Pty Ltd.	1,788,724		3,040,831		-		-		3,040,831
Options cancelled	-		-		(66,171)		66,171		-
Loss for the year	-		-		-		(267,606)		(267,606)
Balance, January 31, 2021	**10,942,352**		**8,867,711**		**180,529**		**(586,836)**		**8,461,404**
Private placement	3,793,750		1,624,000		-		-		1,624,000
Flow-through share premium	-		(40,000)		-		-		(40,000)
Shares issued for exploration and evaluation assets	156,250		67,500		-		-		67,500
Loss for the year	-		-		-		(830,232)		(830,232)
Balance, January 31, 2022	**14,892,352**	**$**	**10,519,211**	**$**	**180,529**	**$**	**(1,417,068)**	**$**	**9,282,672**

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

VOLATUS CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED JANUARY 31,

	2022	2021
Cash flows from operating activities		
Loss for the year	$ (830,232)	$ (267,606)
Changes in non-cash items:		
Gain on sale of exploration and evaluation assets	-	(142,025)
Interest on loans receivable, net	(17,876)	(39,433)
Realized loss (gain) on marketable securities	150,056	(97,106)
Reversal of flow-through premium liability	(40,000)	(36,214)
Unrealized gain on marketable securities	(17,161)	(185,270)
Write-off of exploration and evaluation assets	423,687	133,795
Changes in non-cash working capital items:		
Amounts receivable	(129,028)	(17,040)
Prepaid expenses	37,350	(38,850)
Accounts payable and accrued liabilities	312,302	145,123
Cash used in operating activities	(110,902)	(544,626)
Cash flows from investing activities		
Purchase of marketable securities	(709,797)	(1,243,462)
Proceeds on disposal of marketable securities	1,357,795	973,970
Loan receivable	-	(340,000)
Repayment of loan receivable	125,962	250,000
BC mining exploration tax credit received	30,331	-
Exploration and evaluation assets	(1,929,734)	(373,324)
Reclamation deposit	(30,000)	-
Acquisition of MagMetals Tech Pty Ltd.	(500,000)	(346,339)
Cash used in investing activities	(1,655,443)	(1,079,155)
Cash flows from financing activities		
Proceeds from private placement	1,624,000	1,566,963
Proceeds from share purchase warrants	-	37,500
Share issuance costs	-	(6,740)
Proceeds from the exercise of warrants	-	8,150
Loan payable	145,000	-
Cash provided by financing activities	1,769,000	1,605,873
Change in cash	2,655	(17,908)
Cash, beginning of the year	2,172	20,080
Cash, end of the year	$ 4,827	$ 2,172
Non-cash financing and investing activities		
Cash paid for interest and income taxes	$ -	$ -
Cash received for interest and income taxes	$ 29,793	$ -
Shares issued for exploration and evaluation assets	$ 67,500	$ 3,725,899
Options cancelled	$ -	$ 66,171
Fair value of shares issued on warrants exercised	$ -	$ 4,971
Warrants issued for exploration and evaluation assets	$ -	$ 93,500
Transferred to accounts payable from loan payable	$ 125,074	$ -
Acquisition of MagMetal accrued through accounts payable and accrued liabilities	$ -	$ 500,000
Exploration and evaluation assets included in accounts payable and accrued liabilities	$ 581,039	$ 29,471
Acquisition of MagMetal	$ -	$ 3,040,831

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Volatus Capital Corp. ("the Company") which was incorporated on November 6, 2018, under the laws of British Columbia, is a public company listed on the Canadian Securities Exchange (the "CSE") and trades under the symbol VC. The address of the Company's corporate office and its principal place of business is 3043 - 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J1.

Effective May 19, 2022, the Company consolidated its common shares on a 4:1 basis. These consolidated financial statements reflect the share consolidation for all shares, warrants, options and per share amounts retrospectively.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at January 31, 2022, the Company had not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation assets 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 Company had a deficit of $1,417,068 as at January 31, 2022, which has been funded by the issuance of equity. 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. The outcome of these matters cannot be predicted at this time and these uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated 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.

During the year ended January 31, 2021, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business, including potential delays to its business plans and activities, and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and Interpretations of Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved by the Board of Directors on May 31, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation and consolidation

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 fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, MagMetal Tech Pty Ltd. ("MagMetal"). All significant inter-company balances and transactions have been eliminated upon consolidation.

The consolidated financial statements of the Company are presented in Canadian dollars, which is the functional and reporting currency of the Company and MagMetal.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. For partly owned subsidiaries, the interest attributable to non-controlling shareholders is reflected in non-controlling interest. All inter-company balances and transactions have been eliminated upon consolidation.

These consolidated financial statements include the financial statements of the Company and its subsidiaries are listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest January 31, 2022	Proportion of Ownership Interest January 31, 2021	Principal Activity
MagMetal Tech Pty Ltd.	Australia	100%	100%	Not Active

Use of estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting periods. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

<u>Significant accounting judgments</u>

Going concern

The preparation of these consolidated financial statements requires management to make judgments regarding the applicability of going concern assumption to the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates and judgments (continued)

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

Income taxes

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements.

Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax assets and liabilities, and tax planning initiatives.

Non-cash transactions

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

Economic recoverability and probability of future benefits of exploration and evaluation costs

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Exploration and evaluation assets

Upon acquiring the legal right to explore a property, costs related to acquisition and exploration are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition and exploration costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and included in profit or loss at the same time the qualifying expenditures are made.

Decommissioning and restoration provision

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

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. As at January 31, 2022 and 2021, the Company has no decommissioning or restoration obligations.

Impairment of long-lived assets

The Company evaluates the recoverability of its long-lived assets at each reporting period. An impairment loss is recognized when estimated future cash flows resulting from the use of an asset and its eventual disposition is less than its carrying amount.

A mining enterprise is required to consider the conditions for impairment write-down. The conditions include significant unfavourable economic, legal, regulatory, environmental, political and other factors. In addition, management's development activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of mineral properties. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired, the capitalized costs are written down to the estimated recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in shareholders' equity.

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 assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

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 period the Company reassesses unrecognized deferred tax assets. The Company recognizes a 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.

Investment in associate

The Company accounts for its investment in associate using the equity method. Under the equity method, the Company's investment in associate was initially recognized at fair value and subsequently increased or decreased to recognize the Company's share of net earnings and losses of the investment in associate, after any adjustments necessary to give effect to uniform accounting policies, and for impairment losses after the initial recognition date. The total carrying amount of the Company's investment in associate also includes any long-term debt interests which in substance form part of the Company's net investment. The Company's share of the losses that are in excess of its investment in associate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the investment in associate. The Company's share of earnings and losses of the investment in associate are recognized in profit or loss during the period. Dividends and repayment of capital received from a joint venture are accounted for as a reduction in the carrying amount of the Company's investment in associate.

Financial Instruments

Financial assets are classified at initial recognition as either: measured at amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income ("OCI").

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Fair value through other comprehensive income (“FVTOCI”) – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in OCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost – A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset’s contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL. The following summarizes the classification under IFRS 9 for each financial instrument:

The Company has classified its cash and marketable securities at FVTPL. The Company’s amounts receivable, loans receivable/payable, accounts payable and accrued liabilities and loan payable are classified at amortized cost.

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

Common shares are classified as share capital. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from share capital.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserves.

Loss per share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method. Fully diluted amounts are not presented when the effect of the computations is anti-dilutive due to the losses incurred.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. Consideration paid for the shares on the exercise of stock options is credited to share capital.

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

(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS

Year Ended January 31, 2022	**Split Dome Copper Property**	**Sunset Copper Star Property**	**Untapped Property**	**To Do and Lions Den Gold Properties**	**JD Property**	**Belle Property**	**More Creek Property**	**Bentley Property**	**Lone Mountain Property**	**Lunar-Frog Property**	**Williams EXT**	**Gosco and Last Zone Properties**	**Total**
Acquisition Costs:													
Balance, beginning of year	$ 363,500	$ -	$ 960,000	$ 1,205,000	$ 139,750	$ 88,543	$ 81,606	$ -	$ 550,000	$ 330,000	$ 220,000	$ 66,000	$4,004,399
Acquisition costs – cash	-	-	-	-	100,000	25,000	25,000	7,500	-	-	-	25,000	182,500
Acquisition costs – shares	-	-	-	-	22,500	11,250	-	33,750	-	-	-	-	67,500
Write-down	-	-	-	-	-	-	-	-	-	(330,000)	-	(91,000)	(421,000)
Balance, end of year	363,500	-	960,000	1,205,000	262,250	124,793	106,606	41,250	550,000	-	220,000	-	3,833,399
Exploration Costs:													
Balance, beginning of year	-	-	-	-	196,778	700	500	-	-	-	-	-	197,978
Administration and consulting	61,126	2,400	8,263	14,175	213,988	-	6,750	2,537	49,850	-	125,313	287	484,689
Assay	-	-	-	-	5,720	-	-	-	-	-	-	-	5,720
Field work	56,398	-	89,896	168,884	1,232,224	-	161,141	53,749	46,101	-	-	-	1,808,393
Cost recovery	-	-	-	-	(30,331)	-	-	-	-	-	-	-	(30,331)
Write-down	-	(2,400)	-	-	-	-	-	-	-		-	(287)	(2,687)
Balance, end of year	117,524	-	98,159	183,059	1,618,379	700	168,391	56,286	95,951	-	125,313	-	2,463,762
Total	$ 481,024	$ -	$1,058,159	$ 1,388,059	$1,880,629	$ 125,493	$ 274,997	$ 97,536	$ 645,951	$ -	$ 345,313	$ -	$6,297,161

(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Year Ended January 31, 2021		Split Dome Copper Property		Sunset Copper Star Property		Untapped Property		To Do and Lions Den Gold Properties		JD Property		Belle Property		More Creek Property		Lone Mountain Property		Lunar-Frog Property		Williams EXT		Gosco and Last Zone Properties		Total
Acquisition Costs:																								
Balance, beginning of year	$	-	$	20,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	20,000
Acquisition costs – cash		-		-		-		65,000		70,000		25,000		25,000		-		-		-		-		185,000
Acquisition costs – shares		270,000		-		960,000		1,140,000		69,750		63,543		56,606		550,000		330,000		220,000		66,000		3,725,899
Acquisition costs – warrants		93,500		-		-		-		-		-		-		-		-		-		-		93,500
Write-down		-		(20,000)		-		-		-		-		-		-		-		-		-		(20,000)
Balance, end of year		363,500		-		960,000		1,205,000		139,750		88,543		81,606		550,000		330,000		220,000		66,000		4,004,399
Exploration Costs:																								
Balance, beginning of year		-		93,978		-		-		-		-		-		-		-		-		-		93,978
Administration and consulting		-		19,817		-		-		28,135		700		500		-		-		-		-		49,152
Filed costs		-		-		-		-		168,643		-		-		-		-		-		-		168,643
Write-down		-		(113,795)		-		-		-		-		-		-		-		-		-		(113,795)
Balance, end of year		-		-		-		-		196,778		700		500		-		-		-		-		197,978
Total	$	363,500	$	-	$	960,000	$	1,205,000	$	336,528	$	89,243	$	82,106	$	550,000	$	330,000	$	220,000	$	66,000	$	4,202,377

3. EXPLORATION AND EVALUATION ASSETS (continued)

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

Split Dome Copper Property

During the year ended January 31, 2020, the Company entered into a related party purchase and sale agreement with a Company owned by the Chief Executive Officer to acquire up to a 100% interest, subject to a 0.25% NSR royalty, in the Split Dome project located near Hazelton, British Columbia.

In exchange for the 100% interest, during the year ended January 31, 2021, the Company issued 250,000 shares with a value of $270,000 and 125,000 warrants with a term of 36 months and an exercise price of $1.20. The warrants were fair valued at $93,500 using the Black-Scholes pricing model using a share price of $1.08, expected life of three years, a discount rate of 1.54% and a volatility of 120%.

Sunset Copper Star Property

Pursuant to an option agreement dated November 16, 2018, the Company was granted an option to acquire a 100% undivided interest in the Sunset Copper Star property located north of Campbell River area in the Nanaimo Mining Division, British Columbia.

In accordance with the agreement, the Company has acquired a 51% undivided interest in the property by paying $5,000. The Company had the option to earn the remaining 49% interest in the property by issuing a total of 50,000 common shares of the Company, making cash payments totalling $155,000, and incurring a total of $500,000 in exploration expenditures.

The optionors will retain a 3% Net Smelter Returns ("NSR") royalty on the property. The Company has the right to purchase the first 1% of the royalty for $750,000 and the remaining 2% for $1,000,000 at any time prior to the commencement of commercial production.

During the year ended January 31, 2022, the Company decided to forego making certain payments to maintain the Sunset Copper Star Property and impaired the property to $Nil and recorded a write-down of $2,400 (2021 - $133,795) in the statement of loss and comprehensive loss.

Untapped Property (formerly Compass Project)

In June 2020, the Company earned a 100% interest in the Untapped property by issuing 800,000 common shares with a value of $960,000 to a significant shareholder of the Company. The property is subject to a 1% NSR royalty of which the Company may purchase 0.5% for $500,000.

To Do and Lions Den Gold Properties (formerly Peak and Lions Den Gold Properties)

In June 2020, the Company entered into a purchase and sale agreement with a company controlled by the Chief Executive Officer to acquire a 100% interest in the To Do and Lions Den Gold properties located in northwestern British Columbia. The property is subject to a 1.5% NSR.

In exchange for the 100%, the Company must:

i) issue 950,000 common shares (issued with a value of $1,140,000);
ii) pay $65,000 cash (paid).
iii) Incur exploration expenditures of $100,000 (incurred).

3. EXPLORATION AND EVALUATION ASSETS (continued)

JD Property

In July 2020, the Company entered into an agreement to acquire a 100% interest subject to a 2.5% NSR royalty, in the JD property located in the Omineca Mining Division in northern British Columbia. To earn the interest, the Company must make payments totaling $1,200,000, issue 1,000,000 common shares and incur exploration expenditures totaling $16,000,000, as follow:

i) $70,000 in cash (paid) and shares valued at $30,000 (issued) in accordance with regulatory requirements;
ii) $100,000 (paid) and 62,500 common shares (issued at a value of $22,500) on July 28, 2021;
iii) $200,000 and 125,000 common shares on July 28, 2022;
iv) $200,000 and 187,500 common shares on July 28, 2023;
v) $250,000 and 250,000 common shares on July 28, 2024;
vi) $350,000 and 375,000 common shares on July 28, 2025;
vii) incur not less than $200,000 on or before October 28, 2020 (incurred);
viii) incur $1,000,000 on or before October 28, 2021 (incurred);
ix) incur $1,300,000 on or before October 28, 2022;
x) incur $2,000,000 on or before October 28, 2023;
xi) incur $3,000,000 on or before October 28, 2024;
xii) incur $4,000,000 on or before October 28, 2025; and
xiii) incur $4,500,000 on or before October 28, 2026.

The Company also issued 28,393 common shares (valued at $39,750) as finder’s fees.

True Grit and Middle Ridge Properties

The Company received a 5% interest in certain mineral claims of True Grit and Middle Ridge projects, valued at $Nil, in Newfoundland as a loan fee from Crest Resources Inc. (“Crest”), a related party (Note 6).

During the year ended January 31, 2021, the Company sold its 5% interest in the Middle Ridge South gold property in central Newfoundland to Exploits Discovery Corp. (formerly Mariner Resources Corp.) (“Exploits”) for $12,000 and 90,000 common shares of Exploits (valued at $15,300). Exploits is considered a related party by way of common directors.

During the year ended January 31, 2021, the Company sold its 5% interest in the Middle Ridge North and True Grit properties in central Newfoundland for 342,500 common shares of Exploits (valued at $126,725).

The total gain on sale of exploration and evaluation assets of $154,025 was recognized in the statement of loss and comprehensive loss.

3. EXPLORATION AND EVALUATION ASSETS (continued)

Belle Property

During the year ended January 31, 2021, the Company entered into an option agreement to acquire a 100% interest in the Belle property, located in northern British Columbia. To execute the option, the Company is required to make the following payments:

i) $25,000 (paid) and 31,250 common shares on August 5, 2020 (issued at a value of $50,000);
ii) $25,000 (paid) and 31,250 common shares on or before August 5, 2021(issued at a value of $11,250);
iii) $25,000 and 31,250 common shares on or before August 5, 2022; and
iv) $25,000 and 31,250 common shares on or before August 5, 2023.

The Company also issued 8,464 common shares as finder's fees (valued of $13,543). The property is subject to a 2% NSR.

More Creek Property

During the year ended January 31, 2021, the Company entered into an option agreement to acquire a 100% interest in the More Creek property, located in northwest British Columbia. To execute the option, the Company is required to make the following payments:

i) $25,000 on August 21, 2020 (paid);
ii) 25,000 common shares on or before September 1, 2020 (issued at a value of $39,000);
iii) $25,000 in cash or shares on or before July 22, 2021 (paid);
iv) $50,000 in cash or shares on or before August 21, 2022; and
v) $50,000 in cash or shares on or before July 22, 2023.

The Company is required to incur exploration expenditures totalling $600,000 as follow:
i) $100,000 on or before December 31, 2021 (incurred);
ii) $250,000 on or before August 21, 2023; and
iii) $250,000 in development costs on or before December 31, 2023.

The Company also issued 11,286 common shares as finder's fees (valued of $17,606).

The property is subject to a 2% NSR. In the event the Company acquires 100% interest in the property, the Company will be subject to an additional 1% NSR of which 0.5% can be purchased at any time for $500,000.

Bentley Property

During the year ended January 31, 2022, the Company acquired a 100% interest in the Bentley property, located in the Toodoggone district in north central British Columbia by issuing 62,500 common shares (issued at a value of $33,750) and paying $7,500 (paid).

Williams EXT (formerly Williams Extension East-West Property)

During the year ended January 31, 2021, the Company acquired a 100% interest in the Williams EXT from a company related by a common director located in British Columbia by issuing 250,000 common shares (issued at a value of $220,000).

3. EXPLORATION AND EVALUATION ASSETS (continued)

Lunar-Frog Property

During the year ended January 31, 2021, the Company entered into an agreement to acquire a 100% interest in Lunar-Frog property located in British Columbia. To earn the interest, the Company issued 375,000 common shares (issued at a value of $330,000). The property is subject to a 2.5% NSR, of which 1.5 % NSR is for Crest and 1% is an underlying NSR. The acquisition is considered a related party transaction by way of common directors.

During the year ended January 31, 2022, the Company decided to focus on its other claims due to their relative proximity and accordingly has written the Lunar-Frog property down to $Nil due to no currently planned exploration.

Lone Mountain Property

During the year ended January 31, 2021, the Company acquired a 100% interest in Lone Mountain property located in British Columbia by issuing 625,000 common shares (issued at a value of $550,000). The Lone Mountain property is subject to a historical underlying 2% NSR.

Gosco and Last Zone Properties

During the year ended January 31, 2021, the Company entered into an agreement to acquire a 100% interest in the Gosco and Last Zone properties located in British Columbia. To earn the interest, the Company paid $25,000 and issued 75,000 common shares (issued at a value of $66,000). The Gosco and Last Zone properties are subject to a 1% NSR.

During the year ended January 31, 2022, the Company decided to focus on its other claims due to their relative proximity and accordingly has written the Gosco and Last Zone properties down to $Nil due to no currently planned exploration.

(Expressed in Canadian dollars)

4. MARKETABLE SECURITIES

A summary of the marketable security transactions for the years ended January 31, 2022 and 2021 is as follows:

	Common shares $	Warrants $	Total $	Total gain (loss) $
Cost				
February 1, 2020	70,820	-	70,820	
Additions	1,385,486	-	1,385,486	
Proceeds on sale	(973,970)	-	(973,970)	
Realized gain	97,106	-	97,106	97,106
January 31, 2021	579,442	-	579,442	
Fair value				
February 1, 2020	115,000	-	115,000	
Additions	1,385,486	-	1,385,486	
Cost of disposals	(876,863)	-	(876,863)	
Unrealized gain	71,270	114,000	185,270	185,270
January 31, 2021	694,893	114,000	808,893	
Total gain				282,376
Cost				
February 1, 2021	579,442	-	579,442	
Additions	929,409	-	929,409	
Proceeds on sale	(1,357,795)	-	(1,357,795)	
Realized loss	(150,056)	-	(150,056)	(150,056)
January 31, 2022	1,000	-	1,000	
Fair value				
February 1, 2021	694,893	114,000	808,893	
Additions	929,409	-	929,409	
Cost of disposals	(1,727,463)	-	(1,727,463)	
Unrealized gain (loss)	105,661	(88,500)	17,161	17,161
January 31, 2022	2,500	25,500	28,000	
Total loss				(132,895)

5. SHARE CAPITAL AND RESERVES

a) Authorized:

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

b) Escrow Shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six months from the date of listing. At January 31, 2022, there were 52,500 (2021 – 105,000) common shares held in escrow.

c) Common Shares

Effective May 19, 2022, the Company consolidated its common shares on a 4:1 basis. These consolidated financial statements reflect the share consolidation for all shares, warrants, options and per share amounts retrospectively.

Issued and Outstanding as at January 31, 2022: 14,892,352 common shares.

During the year ended January 31, 2022, the Company had the following share capital transactions:

(i) issued 62,500 common shares at a value of $33,750 pursuant to the acquisition of Bentley Project (Note 3).

(ii) issued 31,250 common shares at a value of $11,250 pursuant to the acquisition of Bella Property (Note 3).

(iii) issued 62,500 common shares at a value of $22,500 pursuant to the acquisition of JD Property (Note 3).

(iv) closed a non-brokered private placement and issued 1,562,500 flow-through shares at $0.48 per share for total proceeds of $750,000. A value of $Nil was attributed to the flow-through premium liability in connection with the financing.

(v) closed the first tranche of a non-brokered private placement and issued 1,000,000 flow-through units at $0.40 per share for total proceeds of $400,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of five years at a price of $0.48. A value of $Nil was attributed to the flow-through premium liability in connection with the financing.

(vi) closed the second tranche of a non-brokered private placement and issued 1,000,000 flow-through shares at $0.40 per share for total proceeds of $400,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of five years at a price of $0.48. A value of $40,000 was attributed to the flow-through premium liability in connection with the financing. The Company incurred the flow-through proceeds and accordingly, recorded $40,000 as a recovery of flow-through premium during the year ended January 31, 2022.

(vii) closed the third and final tranche of a non-brokered private placement and issued 231,250 units at $0.32 per unit for gross proceeds of $74,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.48 for a term of five years expiring November 12, 2026.

5. SHARE CAPITAL AND RESERVES (continued)

c) Common Shares (continued)

During the year ended January 31, 2021, the Company had the following share capital transactions:

(i) issued 250,000 common shares at a value of $270,000 pursuant to the acquisition of Split Dome Copper Project (Note 3).

(ii) closed the first tranche of a non-brokered private placement and issued 2,497,500 common shares at $0.30 per share for gross proceeds of $749,250.

(iii) closed the second tranche of a non-brokered private placement and issued 1,133,375 common shares at $0.30 per share for gross proceeds of $340,013.

(iv) closed the final tranche of a non-brokered private placement and issued 555,000 common shares at $0.30 per share for gross proceeds of $166,500.

(v) closed a non-brokered private placement and issued 125,000 common shares at $0.60 per share for gross proceeds of $75,000. The Company paid $6,740 cash in share issuance cost for this placement.

(vi) issued 800,000 common shares at a value of $960,000 pursuant to the acquisition of Untapped Property (Note 3).

(vii) Issued 950,000 common shares at a value of $1,140,000 pursuant to the acquisition of To Do and Lions Den Gold Properties (Note 3).

(viii) issued 187,000 common shares pursuant to a non-brokered private placement at $0.90 per share for gross proceeds of $168,300.

(ix) issued 21,429 common shares at a value of $30,000 pursuant to the acquisition of JD Property (Note 3).

(x) issued 28,393 common shares at a value of $39,750 as finder’s fees pursuant to the acquisition of JD Property as finder’s fees (Note 3).

(xi) issued 31,250 common shares at a value of $50,000 pursuant to the acquisition of Belle property (Note 3).

(xii) issued 8,464 common shares at a value of $13,543 as finder’s fees pursuant to the acquisition of Belle property (Note 3)

(xiii) issued 1,788,724 common shares at a value of $3,040,831 pursuant to the acquisition of MagMetal (Note 10).

(xiv) issued 25,000 common shares at a value of $39,000 pursuant to the acquisition of More Creek Project (Note 3).

(xv) issued 11,286 common shares at a value of $17,606 as finder’s fees pursuant to the acquisition of More Creek Project (Note 3).

(Expressed in Canadian dollars)

5. SHARE CAPITAL AND RESERVES (continued)

c) Common Shares (continued)

(xvi) issued 6,792 common shares upon exercise of warrants for gross proceeds of $8,150 and reclassified $4,971 from reserves to share capital upon exercise.

(xvii) issued 37,723 flow-through common shares at $1.80 per flow-through share for gross proceeds of $67,901. A value of $36,214 was attributed to the flow-through premium liability in connection with the financing. The Company incurred the flow-through proceeds and accordingly, recorded $36,214 as recovery of flow-through premium during the year ended January 31, 2021.

(xviii) issued 625,000 common shares at a value of $550,000 pursuant to the acquisition of Lone Mountain Property (Note 3).

(xix) issued 375,000 common shares at a value of $330,000 pursuant to the acquisition of Lunar-Frog Property (Note 3).

(xx) issued 250,000 common shares at a value of $220,000 pursuant to the acquisition of EXT (Note 3).

(xxi) issued 75,000 common shares at a value of $66,000 pursuant to the acquisition of Gosco Claims and The Last Zone (Note 3).

d) Stock Options

During the year ended January 31, 2020, the Company adopted a Stock Option Plan (the "Plan") for directors, officers, employees and consultants of the Company. Under the Plan, the Company may grant incentive stock options to directors, officers, employees and consultants to the Company, as determined by the Board of Directors of the Company at the fair market value on the date the option is granted. The maximum number of common shares which may be issuable under the Plan cannot exceed 10% of the total number of shares issued and outstanding on a non-diluted basis.

A summary of changes in options during the year ended January 31, 2022 and 2021 is as follows:

	Number of options	**Weighted average exercise price**
Outstanding and exercisable January 31, 2020	66,667	$ 1.20
Cancelled	(66,667)	1.20
Outstanding and exercisable January 31, 2021 and 2022	-	$ -

(Expressed in Canadian dollars)

5. SHARE CAPITAL AND RESERVES (continued)

e) Warrants

A summary of changes in warrants during the period is as follows:

	Number of warrants	Weighted average exercise price
Outstanding and exercisable January 31, 2020	33,542	$ 1.20
Granted	500,000	0.72
Exercised	(6,792)	1.20
Outstanding and exercisable January 31, 2021	526,750	0.74
Granted	2,231,250	0.48
Expired	(401,750)	0.60
Outstanding and exercisable January 31, 2022	2,356,250	$ 0.52

The following warrants were outstanding at January 31, 2022:

Expiry Date	Exercise Price	Number of warrants	Number of warrants Exercisable
February 5, 2023	$1.20	125,000	125,000
September 22, 2026	$0.48	1,000,000	1,000,000
October 12, 2026	$0.48	1,000,000	1,000,000
November 12, 2026	$0.48	231,250	231,250
		2,356,250	2,356,250

The following weighted average assumptions were used for the Black-Scholes valuation of Agent's warrants:

	Year ended January 31, 2022	Year ended January 31, 2021
Share price	$ -	$ 0.27
Risk-free dividend rate	-	1.54%
Expected life of warrants	-	3
Dividend rate	-	0.00%
Annualized volatility	-	120%

(Expressed in Canadian dollars)

6. RELATED PARTY BALANCES AND TRANSACTIONS

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

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. The remuneration of directors and other members of key management personnel during the year ended January 31, 2022 and 2021 were as follows:

	Nature of transactions		2022		2021
Related parties:					
Chief Executive Officer	Exploration	$	74,000	$	-
Former Chief Executive Officer	Management fees	$	31,000	$	61,000
Chief Financial Officer	Management fees	$	12,000	$	19,500
Directors	Director fees	$	-	$	30,000
A Company controlled by a director of the Company’s subsidiary	Management fees	$	28,000	$	45,000
A Company related by a common former Chief Executive Officer	Management fees	$	87,000	$	87,000
A Company related by a common former Chief Executive Officer	Consulting fees (recovery)	$	(100,000)	$	112,500

As at January 31, 2022, accounts payable and accrued liabilities include $170,009 (2021 - $111,740) due to related parties. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

(Expressed in Canadian dollars)

6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

As at January 31, 2022, Company has prepaid $Nil (2021 - $37,500) to a company related by a common director.

	November 2019	May 2020	June 2020	June 2020	August 2020	Total
Balance January 31, 2020	$ 102,334	$ -	$ -	$ -	$ -	$ 102,334
Loans receivable	-	40,000	150,000	100,000	50,000	340,000
Repayment of loans receivable	(100,000)	-	(150,000)	-	-	(250,000)
Interest	6,148	6,523	6,707	14,597	5,458	39,433
Balance January 31, 2021	8,482	46,523	6,707	114,597	55,458	231,767
Repayment of loans receivable	-	(51,993)	-	(13,313)	(60,656)	(125,962)
Interest	42	5,470	(54)	8,613	5,198	19,269
Transferred to accounts payable	(8,524)	-	(6,653)	(109,897)	-	(125,074)
Balance January 31, 2022	$ -	-	$ -	$ -	$ -	$ -

During the year ended January 31, 2021, the Company entered into a loan agreement with a Company controlled by the former Chief Executive Officer to lend $40,000. The principal amount of the loan plus accrued interest of 2% per month shall be payable on or before 10 days after notice in writing of demand by the Company. The borrower has pledged 4,000,000 common shares of Origen Resources Inc. as collateral against repayment of the loan and accrued interest. During the year ended January 31, 2022, the Company accrued $4,760 (2021 - $6,523) in interest receivable and received $51,286.

During the year ended January 31, 2021, the Company entered into a loan agreement with a Company controlled by a common director to lend $150,000. The principal amount of the loan plus accrued interest of 2% per month shall be payable on or before 10 days after notice in writing of demand by the Company. During the year ended January 31, 2021, the Company accrued $6,707 of interest and received $150,000. During the year ended January 31, 2022, the Company transferred $6,653 to accounts payable. At January 31, 2022, $Nil (2021 - $6,707) of interest remained unpaid.

During the year ended January 31, 2021, the Company entered into a loan agreement with a Company controlled by a common director to lend $100,000. The principal amount of the loan plus accrued interest of 2% per month shall be payable on or before 10 days after notice in writing of demand by the Company. The Company received a 5% interest in certain mineral claims of True Grit and Middle Ridge projects in Newfoundland as a loan fee (valued at $Nil) (Note 3). During the year ended January 31, 2022, the Company accrued $8,613 (2021 - $14,597) of interest, received $13,313, and transferred $109,897 to accounts payable.

During the year ended January 31, 2021, the Company entered into a loan agreement with a Company controlled by a common director to lend $50,000. The principal amount of the loan plus accrued interest of 2% per month shall be payable on or before 10 days after notice in writing of demand by the Company, such demand not to be made before February 18, 2021. The Company received a 5% interest in certain mineral claims in Labrador and Quebec as a loan fee (valued at $Nil) (Note 3). During the year ended January 31, 2022, the Company accrued $5,198 (2021 - $5,458) and received $60,656.

6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

During the year ended January 31, 2020, the Company entered into a loan agreement with a Company controlled by a common director to lend $100,000. The principal amount of the loan plus accrued interest of 12% per annum shall be payable on demand and the borrower has pledged marketable securities as collateral against repayment of the loan and accrued interest. During the year ended January 31, 2020, the Company accrued $2,334 of interest. During the year ended January 31, 2021, the Company accrued $6,148 of interest and received $100,000. During the year ended January 31, 2022, the Company accrued $42 and transferred $8,524 to accounts payable. At January 31, 2022, $Nil (2021 - $8,482) of interest remained unpaid.

During the year ended January 31, 2022, the Company entered into a loan agreement with a Company controlled by a common director to borrow $115,000. The principal amount of the loan plus accrued interest of 10% per annum and a 20% bonus shall be payable on June 17, 2022. During the year ended January 31, 2022, the Company accrued $1,393 of interest. Subsequent to the year ended January 31, 2022, the Company repaid the loan in full.

During the year ended January 31, 2021, the Company received 432,500 shares of Exploits, a company controlled by the Company's Chief Executive Officer, at a fair value of $142,025 as a loan fee (Note 3). The Company purchased 50,000 shares of Exploits, at a fair value of $32,495 and sold 50,000 shares for $33,312 resulting in a realized gain of $15,227. At January 31, 2021, the fair value of the shares was $203,275 using the quoted trading price. An unrealized gain on marketable securities of $46,840 was recognized on profit or loss. During the year ended January 31, 2022, the Company sold 432,500 shares for $212,977 resulting in a realized gain of $56,542 and an unrealized loss of $46,840.

During the year ended January 31, 2021, the Company purchased 400,000 units in Origen Resources Inc., a company controlled by the Company's Chief Executive Officer, at a fair value of $72,000. Each unit consists of one common share and one common share purchase warrant. Each warrant may be exercised to purchase a additional common share at a price of $0.22 on or before April 28, 2022. The fair value of the warrants was $49,800 resulting in a gain on investment of $49,800. The Company purchased an additional 427,000 shares in Origen Resources Inc., at a fair value of $102,377 and sold 85,000 shares for $11,972 resulting in a realized loss of $3,328. At January 31, 2021, the fair value of the shares was $170,660 using the quoted trading price. An unrealized gain on marketable securities of $11,583 was recognized on profit or loss. During the year ended January 31, 2022, the Company purchased 496,500 shares at a fair value of $137,158 and sold 708,500 shares for $197,766 resulting in a realized gain of $27,917 and an unrealized loss of $11,583. The Company transferred 530,000 shares to Rain City Resources Inc. as compensation when the Company exercised 3,000,000 warrants of Rain City Resources Inc. resulting in a loss on investment of $126,387. At January 31, 2022, the fair value of the warrants was $25,500 resulting in a loss on investment of $24,300.

7. 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. Capital is comprised of the Company's shareholders' equity.

The Company considers the aggregate of its share capital, reserves 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.

The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended January 31, 2022.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company's financial instruments consist of cash, amounts receivable, loans receivable, marketable securities and accounts payable and accrued liabilities.

An entity classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

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).

Fair Value of Financial Instruments

The Company's financial assets of cash and marketable securities are classified as Level 1 except for the underlying warrants which are classified as Level 3. The carrying value of amounts receivable, loan payable, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods of maturity of these instruments.

Financial risk management objectives and policies

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

(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.

(ii) Interest rate risk

The Company has cash balances and loans receivable. The Company is satisfied with the credit ratings of its banks. The Company believes it has no significant interest rate risk.

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

(iii) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

The Company is exposed to credit risk with respect to uncertainties as to timing and among of collectability of receivables. The Company believes its credit risk is low because the loans receivable are secured by collateral and amounts receivable is recoverable from the government of Canada. Management does not believe the receivables are impaired.

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(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.

9. SEGMENTED INFORMATION

The Company has two operating segments: the exploration of exploration and evaluation assets in Canada and Australia via its investment in Leigh Creek Magnesite Pty Ltd. of $3,887,170 (2021 - $3,887,170) The Company's exploration and evaluation assets at January 31, 2022 were $6,297,161 (2021 - $4,202,377).

10. ACQUISITION OF MAGMETAL TECH PTY LTD.

During the year ended January 31, 2021, the Company acquired MagMetal, a private Australian Issuer holding a 20% interest in the Leigh Creek Magnesite Pty Ltd ("Leigh Creek"). MagMetal is a holding company with no other assets or liabilities other than a 20% equity investment in Leigh Creek.

The underlying property is subject to a NSR ranging from 1.25% to 2.5%.

The transaction does not constitute a business combination as MagMetal does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of MagMetal has been accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed are assigned a carrying amount based on their relative fair values. Upon closing the transaction, MagMetal became a subsidiary of the Company. The net assets acquired pursuant to the acquisition are as follows:

Net Assets Acquired	
Investment in Leigh Creek	$ 3,887,170

Total Purchase Price	
Cash	$ 300,000
Accrued acquisition costs (paid in fiscal 2022)	500,000
Issuance of 1,788,724 common shares	3,040,831
Transaction costs	46,339
	$ 3,887,170

The fair value of 1,788,724 common shares of the Company was determined to be $1.70 per common share, based on the market value at the date of issuance.

Leigh Creek had no operations for the period from acquisition to January 31, 2022 and no significant assets or liabilities other than holding title to an exploration license in Southern Australia.

(Expressed in Canadian dollars)

11. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	January 31, 2022	January 31, 2021
Loss before taxes for the year	$ (830,232)	$ (267,606)
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax (recovery)	$ (224,000)	$ (72,000)
Change in statutory rates and other	(38,000)	2,000
Impact of flow-through shares	419,000	18,000
Permanent differences	7,000	(15,000)
Share issue cost	-	(2,000)
Adjustment to prior years provision	(11,000)	9,000
Change in unrecognized deductible temporary differences	(153,000)	60,000
Total income tax expense (recovery)	$ -	$ -
Current income tax	$ -	$ -
Deferred tax recovery	$ -	$ -

The significant components of the Company's deferred tax assets (liabilities) that have not been included on the statement of financial position are as follows:

	January 31, 2022	January 31, 2021
Exploration and evaluation assets	$ (353,000)	$ (32,000)
Share issue costs	15,000	23,000
Marketable securities	(4,000)	(31,000)
Non-capital losses available for future period	342,000	193,000
	-	153,000
Unrecognized deferred tax assets	-	(153,000)
Net deferred tax assets (liabilities)	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2022	Expiry Date Range	2021	Expiry Date Range
Temporary Differences				
Share issue costs	$ -	2041 to 2046	$ 83,000	2041 to 2045
Non-capital losses available for future periods	$ -	2041 to 2042	$ 367,000	2041

12. SUBSEQUENT EVENTS

Subsequent to the year ended January 31, 2022, the Company:

i) entered into a loan agreement with a Company controlled by a common director to borrow $187,000. The principal amount of the loan plus accrued interest of 10% per annum and a 20% bonus shall be payable on August 2, 2022. The Company repaid the loan in full.

ii) closed a non-brokered private placement and issued 3,050,000 units at $0.20 per unit for gross proceeds of $610,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.28 for a term of five years expiring March 9, 2027.

iii) entered into a loan agreement with a Company controlled by a common director to borrow $30,000. The principal amount of the loan plus accrued interest of 10% per annum and a 20% bonus shall be payable on September 30, 2022.

iv) entered into a loan agreement with a Company controlled by a common director to borrow $12,000. The principal amount of the loan plus accrued interest of 10% per annum and a 20% bonus shall be payable on October 20, 2022.