VOLATUS CAPITAL CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023

(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, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our 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 working capital deficiency of $1,201,567 and a deficit of $13,327,209 as at January 31, 2024, 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.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 3 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $97,536 as of January 31, 2024. As more fully described in Note 2 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

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The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Assessing the Company's rights to explore E&E Assets.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

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 Accounting Standards, 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended 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 Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

July 26, 2024

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

	2024	2023
ASSETS		
Current assets		
Cash	$ 1,511	$ 2,578
Amounts receivable	4,350	23,123
Marketable securities (Note 4)	21,545	71,975
	27,406	97,676
Investment in Leigh Creek (Note 10)	30,000	3,887,170
Exploration and evaluation assets (Note 3)	97,536	6,669,906
Reclamation deposit	30,000	30,000
	$ 184,942	$ 10,684,752
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	$ 1,203,928	$ 923,910
Loans payable (Note 6)	25,045	47,757
	1,228,973	971,667
Promissory note payable (Note 3)	85,000	-
	1,313,973	971,667
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 5)	12,017,649	12,007,336
Reserves (Note 5)	180,529	180,529
Deficit	(13,327,209)	(2,474,780)
	(1,129,031)	9,713,085
	$ 184,942	$ 10,684,752

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

APPROVED ON BEHALF OF THE DIRECTORS:

"Rod Husband"	Director	*"Jason Cubitt"*	Director
Rod Husband		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,

	2024	2023
Expenses		
Consulting fees (Note 6)	$ 196,050	$ 302,310
Investors relations	-	1,826
Management fees (Note 6)	80,000	137,750
Office	2,081	3,070
Professional fees (Note 6)	105,451	90,300
Rent	-	18,975
Transfer agent and filling fees	12,066	18,329
	(395,648)	**(572,560)**
Interest income	3,458	-
Interest expense (Note 6)	(14,132)	(93,275)
Realized gain on marketable securities (Note 4)	5,634	2,459
Loss on termination of option agreement (Note 3)	(95,000)	-
Unrealized loss on marketable securities (Note 4)	(27,855)	(45,132)
Write-off of exploration and evaluation assets (Note 3)	(6,471,716)	(349,513)
Write-down of investment (Note 10)	(3,857,170)	-
Write-off of accounts payable and accrued liabilities	-	309
Loss and comprehensive loss for the year	**$ (10,852,429)**	**$ (1,057,712)**
Loss per share – basic and diluted	$ (0.30)	$ (0.04)
Weighted average number of shares outstanding – basic and diluted	36,230,196	24,231,821

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

VOLATUS CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian dollars)

	Common Shares				
	Number of shares	**Share Capital**	**Reserves**	**Deficit**	**Total**
Balance, January 31, 2022	**14,892,354**	**$ 10,519,211**	**$ 180,529**	**$ (1,417,068)**	**$ 9,282,672**
Private placement	19,700,000	1,442,500	-	-	1,442,500
Shares issued for exploration and evaluation assets	1,156,250	45,625	-	-	45,625
Loss for the year	-	-	-	(1,057,712)	(1,057,712)
Balance, January 31, 2023	**35,748,604**	**12,007,336**	**180,529**	**(2,474,780)**	**9,713,085**
Shares issued for exploration and evaluation assets	1,031,250	10,313	-	-	10,313
Loss for the year	-	-	-	(10,852,429)	(10,852,429)
Balance, January 31, 2024	**36,779,854**	**$ 12,017,649**	**$ 180,529**	**$ (13,327,209)**	**$ (1,129,031)**

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,

	2024	2023
Cash flows from operating activities		
Loss for the year	$(10,852,429)	$ (1,057,712)
Changes in non-cash items:		
Loss on termination of option agreement	95,000	-
Interest on loans receivable/payable, net	-	76,280
Realized gain on marketable securities	(5,634)	(2,459)
Unrealized loss on marketable securities	27,855	45,132
Write-off of accounts payable and accrued liabilities	-	309
Write-off of exploration and evaluation assets	6,471,716	349,513
Write-down of investment	3,857,170	-
Changes in non-cash working capital items:		
Amounts receivable	18,773	126,957
Prepaid expenses	-	1,500
Accounts payable and accrued liabilities	277,736	(10,146)
Cash used in operating activities	(109,813)	(470,626)
Cash flows from investing activities		
Purchase of marketable securities	(14,923)	(157,196)
Proceeds on disposal of marketable securities	43,132	70,548
Exploration and evaluation assets, net of recoveries	103,249	(712,559)
Cash provided by (used in) investing activities	131,458	(799,207)
Cash flows from financing activities		
Proceeds from private placement	-	1,442,500
Loans repayment	(47,757)	(174,916)
Proceeds from loans payable	25,045	-
Cash (used in) provided by financing activities	(22,712)	1,267,584
Change in cash	(1,067)	(2,249)
Cash, beginning of the year	2,578	4,827
Cash, end of the year	$ 1,511	$ 2,578
Non-cash financing and investing activities		
Shares issued for exploration and evaluation assets	$ 313	$ 45,625
Exploration and evaluation assets included in accounts payable and accrued liabilities	$ -	$ 545,113

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Volatus Capital Corp. (“the Company” or “Volatus”) 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 2900 - 733 Seymour Street, Vancouver, British Columbia, Canada, V6B 0S6.

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, 2024, 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 working capital deficiency of $1,201,567 and a deficit of $13,327,209 as at January 31, 2024, 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were approved by the Board of Directors on July 26, 2024.

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 financial statements of the Company and its wholly-owned subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest January 31, 2024	Proportion of Ownership Interest January 31, 2023	Principal Activity
MagMetals Tech Pty Ltd. ("MagMetal")	Australia	100%	100%	Non Active

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.

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

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.

Significant accounting judgments

Going concern

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

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 is a non-cash transaction. 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.

Investment in Leigh Creek

At every reporting period, management assesses the potential impairment with respect to the carrying value and recoverability of investment in Leigh Creek, which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount. At January 31, 2024, management determined impairment indicators to be present, as the Company's interest in Leigh Creek was sold subsequent to January 31, 2024; accordingly the investment in Leigh Creek has been written down to the recoverable amount.

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.

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 year. As at January 31, 2024 and 2023, 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 unfavorable 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 number 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.

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 is 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 investment in associate.

Financial instruments

Financial instruments 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 Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Fair value through profit or loss (“FVTPL”) – Financial assets and liabilities 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. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income.

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

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.

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, 2024	Split Dome Copper Property	Untapped Property	To Do and Lions Den Gold Properties	JD Property	Belle Property	More Creek Property	Bentley Property	Lone Mountain Property	Total
Acquisition Costs:									
Balance, beginning of the year	$ 363,500	$ 960,000	$ 1,205,000	$ 471,000	$ 151,668	$ 141,606	$ 41,250	$ 550,000	$ 3,884,024
Acquisition – Shares issuance	-	-	-	-	313	-	-	-	313
Acquisition – Cash payment	-	-	-	-	25,000	-	-	-	25,000
Write off adjustment	(363,500)	(960,000)	(1,205,000)	(471,000)	(176,981)	(141,606)	-	(550,000)	(3,868,087)
Balance, end of the year	-	-	-	-	-	-	41,250	-	41,250
Exploration Costs:									
Balance, beginning of the year	120,024	102,159	193,509	2,043,762	700	168,391	56,286	101,051	2,785,882
Administration and consulting	-	-	-	2,434	-	-	-	-	2,434
BCMETC offset [(1)]	-	-	-	(128,401)	-	-	-	-	(128,401)
Write off adjustment	(120,024)	(102,159)	(193,509)	(1,917,795)	(700)	(168,391)	-	(101,051)	(2,603,629)
Balance, end of the year	-	-	-	-	-	-	56,286	-	56,286
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ 97,536	$ -	$ 97,536

(1) On May 1, 2023, the Company received a $128,401 cash refund from CRA, related to the British Columbia mining exploration tax credit (BCMETC) for its 2022 fiscal year; plus $3,458 in interest. The tax credit was offset against the exploration cost capitalized to the JD Property.

(Expressed in Canadian dollars)

Year Ended January 31, 2023	**Split Dome Copper Property**	**Untapped Property**	**To Do and Lions Den Gold Properties**	**JD Property**	**Belle Property**	**More Creek Property**	**Bentley Property**	**Lone Mountain Property**	**Williams EXT**	**Total**
Acquisition Costs:										
Balance, beginning of year	$ 363,500	$ 960,000	$ 1,205,000	$ 262,250	$ 124,793	$ 106,606	$ 41,250	$ 550,000	$ 220,000	$3,833,399
Acquisition costs – cash	-	-	-	200,000	25,000	-	-	-	-	225,000
Acquisition costs – shares	-	-	-	8,750	1,875	35,000	-	-	-	45,625
Write off adjustment	-	-	-	-	-	-	-	-	(220,000)	(220,000)
Balance, end of year	363,500	960,000	1,205,000	471,000	151,668	141,606	41,250	550,000	-	3,884,024
Exploration Costs:										
Balance, beginning of year	117,524	98,159	183,059	1,618,379	700	168,391	56,286	95,951	125,313	2,463,762
Administration and consulting	2,500	4,000	9,950	71,623	-	-	-	5,100	4,200	97,373
Field work	-	-	500	353,760	-	-	-	-	-	354,260
Write off adjustment	-	-	-	-	-	-	-	-	(129,513)	(129,513)
Balance, end of year	120,024	102,159	193,509	2,043,762	700	168,391	56,286	101,051	-	2,785,882
Total	$ 483,524	$1,062,159	$ 1,398,509	$2,514,762	$ 152,368	$ 309,997	$ 97,536	$ 651,051	$ -	6,669,906

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

The Company owned a 100% interest, subject to a 0.25% Net Smelter Returns ("NSR") royalty retained by John Michael William Collins, a former CEO, in the Split Dome project located near Hazelton, British Columbia.

On October 11, 2023, the claims composing the property were dropped. Accordingly, the Company impaired the property to $Nil and recorded a write-down of $483,524 in the statement of loss and comprehensive loss.

Untapped Property

The Company owned a 100% interest in the Untapped property. The property was subject to a 1% NSR royalty of which the Company could purchase 0.5% for $500,000.

On January 20, 2024, the claims composing the property were dropped. Accordingly, the Company impaired the property to $Nil and recorded a write-down of $1,062,159 in the statement of loss and comprehensive loss.

To Do and Lions Den Gold Properties

The Company owned a 100% interest in the To Do and Lions Den Gold properties located in northwestern British Columbia. The property was subject to a 1.5% NSR; retained by Crest Resources Inc., a related party.

On October 13, 2023, the claims composing the property were dropped. Accordingly, the Company impaired the property to $Nil and recorded a write-down of $1,398,509 in the statement of loss and comprehensive loss.

JD Property

In July 2020 and as amended on February 15, 2023 and May 24, 2023, 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 was required to make payments totaling $1,200,000 ($370,000 paid), issue 1,000,000 common shares (issued 187,500 shares at a total value of $31,250) and incur exploration expenditures totaling $16,000,000 (incurred $2,046,196).

On July 28, 2023, the option agreement pursuant to the JD property between the Company and the vendors was terminated. Accordingly, the Company impaired the property to $Nil and recorded a write-down of $2,388,795 in the statement of loss and comprehensive loss.

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 paid a total of $100,000 in cash and issued 125,000 common shares at a total value of $63,438. The property was subject to a 2% NSR.

As a result of the termination of the option agreement for the JD property, the Belle Property has been assigned to T. Cameron Scott and V.F. Erickson Consultants Ltd. Accordingly, the Company impaired the property to $Nil and recorded a write down of $177,681 in the statement of loss and comprehensive loss.

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, subject to a 2% NSR. To execute the option, the Company was 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 on or before July 22, 2021 (paid);
iv) $50,000 in cash or shares on or before August 21, 2022 (1,000,000 shares issued at a value of $35,000);
v) $50,000 in cash or shares on or before July 22, 2023.

The Company was required to incur exploration expenditures totaling $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.

On August 3, 2023, the option agreement pursuant to the More Creek property was terminated. Pursuant to the termination agreement, the Company issued 1,000,000 shares issued at a value of $10,000 to Tower Resources Ltd. and agreed to pay to Tower Resources Ltd. the following amounts:

i) $20,000, on or before August 25, 2023;
ii) $15,000, on or before September 29, 2023;
iii) $15,000, on or before October 31, 2023; and
iv) $35,000, no later than November 1, 2023.

Accordingly, the Company impaired the property to $Nil and recorded a write-down of $309,997 in the statement of loss and comprehensive loss.

On October 31, 2023, the Company issued a promissory note payable to Tower Resources Ltd, representing the total of the amounts owing pursuant to the termination agreement. The promissory note has a principal balance of $85,000, accrues interest at 10% per annum and is due on or before November 1, 2025.

During the year ended January 31, 2024, the Company recognized $95,000 as a loss on termination of option agreement in the statement of loss and comprehensive loss.

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 at a value of $33,750 and paying $7,500.

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 property in British Columbia.

During the year ended January 31, 2023, the Company decided to focus on its other claims and wrote down the Williams EXT property to $Nil.

(Expressed in Canadian dollars)

Lone Mountain Property

The Company owned a 100% interest in Lone Mountain property located in British Columbia, subject to a historical underlying 2% NSR.

On October 2, 2023, the claims composing the property were dropped. Accordingly, the Company impaired the property to $Nil and recorded a write-down of $651,051 in the statement of loss and comprehensive loss.

4. MARKETABLE SECURITIES

A summary of the marketable securities transactions for the years ended January 31, 2024 and 2023 is as follows:

	Common shares $	Warrants $	Total $	Total gain (loss) $
Cost				
February 1, 2022	1,000	-	1,000	
Additions	157,196		157,196	
Proceeds on sale	(70,548)	-	(70,548)	
Realized gain	2,459	-	2,459	2,459
January 31, 2023	90,107	-	90,107	
Fair value				
February 1, 2022	2,500	25,500	28,000	
Additions	157,197		157,197	
Cost of disposals	(68,090)	-	(68,090)	
Unrealized loss	(19,632)	(25,500)	(45,132)	(45,132)
January 31, 2023	71,975	-	71,975	
Total loss				(42,673)
Cost				
February 1, 2023	90,107	-	90,107	
Additions	14,923		14,923	
Proceeds on sale	(43,132)	-	(43,132)	
Realized gain	5,634	-	5,634	5,634
January 31, 2024	67,532	-	67,532	
Fair value				
February 1, 2023	71,975	-	71,975	
Additions	14,923		14,923	
Cost of disposals	(37,498)	-	(37,498)	
Unrealized gain	(27,855)	-	(27,855)	(27,855)
January 31, 2024	21,545	-	21,545	
Total gain				(22,221)

5. SHARE CAPITAL AND RESERVES

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

b) 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, 2024: 36,779,854 common shares.

During the year ended January 31, 2024, the Company had the following share capital transactions:

(i) On July 31, 2023, issued 31,250 common shares at a value of $313, pursuant to the acquisition of Belle property (Note 3).

(ii) On August 15, 2023, issued 1,000,000 common shares at a value of $10,000, pursuant to the termination of the option agreement for the More Creek property (Note 3).

During the year ended January 31, 2023, the Company had the following share capital transactions:

(iii) On March 9, 2022, 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.

(iv) On August 5, 2022, issued 125,000 common shares at a value of $8,750 pursuant to the acquisition of JD Property (Note 3).

(v) On August 15, 2022, issued 31,250 common shares at a value of $1,875 pursuant to the acquisition of Belle property (Note 3).

(vi) On September 6, 2022, closed the first tranche of a non-brokered private placement and issued 4,750,000 flow-through units and 9,600,000 non-flow through units at $0.05 per unit for total proceeds of $717,500. 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 $0.06. A value of $Nil was attributed to the flow-through premium liability in connection with the financing.

(vii) On October 5, 2022, closed the second tranche of the non-brokered private placement and issued 2,000,000 flow-through units and 300,000 non-flow through units at $0.05 per unit for total proceeds of $115,000. 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 $0.06. A value of $Nil was attributed to the flow-through premium liability in connection with the financing.

Pursuant to the flow-through financings noted above in (vi) and (vii), the Company has renounced a total of $337,500 in flow through expenditures and incurred all required expenditures in the year ended January 31, 2023.

(viii) On January 31, 2023, issued 1,000,000 common shares at a value of $35,000 pursuant to the acquisition of More Creek property (Note 3).

(Expressed in Canadian dollars)

c) 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.

During the years ended January 31, 2024 and 2023, the Company did not grant any stock options.

d) Warrants

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

	Number of warrants	Weighted average exercise price
Outstanding and exercisable January 31, 2022	2,356,250	$ 0.52
Granted	19,700,000	0.09
Outstanding and exercisable January 31, 2023	22,056,250	0.14
Expired	(125,000)	1.20
Outstanding and exercisable January 31, 2024	21,931,250	$ 0.13

The following warrants were outstanding at January 31, 2024:

Expiry Date	Exercise Price	Number of warrants	Number of warrants Exercisable
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
March 9, 2027	$0.28	3,050,000	3,050,000
September 6, 2027	$0.06	14,350,000	14,350,000
October 5, 2027	$0.06	2,300,000	2,300,000
		21,931,250	21,931,250

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 years ended January 31, 2024 and 2023 were as follows:

(Expressed in Canadian dollars)

	Nature of transactions		2024		2023
Related parties:					
Chief Executive Officer	Management fees	$	80,000	$	70,000
Chief Executive Officer	Consulting fees	$	-	$	15,000
Former Chief Executive Officer	Exploration	$	-	$	50,000
Former Chief Executive Officer	Management fees	$	-	$	50,750
Former Chief Financial Officer	Management fees	$	-	$	17,000
Chief Financial Officer	Professional fees	$	56,377	$	-
A Company controlled by a person related to the CEO	Consulting fees	$	180,000	$	180,000
A Company controlled by a person related to the CEO	Consulting fees	$	-	$	50,000
A Company controlled by a former director	Consulting fees	$	-	$	23,810

As at January 31, 2024, accounts payable and accrued liabilities include $556,401 (2023 - $289,466) due to related parties. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

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 was due on June 17, 2022. During the year ended January 31, 2022, the Company accrued $1,393 of interest. During the year ended January 31, 2023, the Company accrued $23,945 of interest and repaid the loan in full.

During the year ended January 31, 2022, the Company entered into a loan agreement with a company controlled by a common director to borrow $30,000. This was an unsecured non-interest-bearing loan. During year ended January 31, 2024, the Company repaid the loan in full.

During the year ended January 31, 2023, the Company 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 was due on August 2, 2022. During the year ended January 31, 2023, the Company accrued $38,578 of interest. During the year ended January 31, 2023, the Company repaid the loan in full.

During the year ended January 31, 2023, the Company 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 was due on September 30, 2022. During the year ended January 31, 2023, the Company accrued $7,875 of interest. At January 31, 2023, the loan has been paid in full.

During the year ended January 31, 2023, the Company 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 was due on October 20, 2022. During the year ended January 31, 2023, the Company accrued $3,195 of interest and repaid $10,125 on the loan. During the year ended January 31, 2024, the Company accrued $46 of interest. At January 31, 2024, the loan has been paid in full.

During the year ended January 31, 2023, the Company entered into a loan agreement with a company controlled by a common director to borrow $10,000. The principal amount of the loan plus accrued interest of 10% per annum and a 20% bonus was due on November 30, 2022. During the year ended January 31, 2023, the Company accrued $2,687 of interest. During the year ended January 31, 2024, the Company accrued $189 of interest and made $12,876 repayments on the loan. At January 31, 2024, the loan has been paid in full.

During the year ended January 31, 2024, the Company received an advance of $25,045 from a company controlled by a person related to the CEO. The loan is unsecured, non-interest-bearing and has no maturity date. At January 31, 2024, a loan payable balance of $25,045 was outstanding. Subsequent to January 31, 2024, the loan has been repaid.

During the year ended January 31, 2024, the Company advanced $2,068 to a company controlled by a common director. The advance was unsecured, non-interest-bearing and had no maturity date. At January 31, 2024, a loan receivable balance of $nil was outstanding.

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 properties. 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, 2024.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

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

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 marketable securities are classified as Level 1. The carrying value of cash, amounts receivable, accounts payable and accrued liabilities, loan payable and promissory note payable 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. 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 amount of collectability of receivables. The Company believes its credit risk is low because the amounts receivable is recoverable from the government of Canada. Management does not believe the receivables are impaired.

(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 and evaluation assets in Canada and its investment in Leigh Creek Magnesite Pty Ltd. of $30,000 (2023 - $3,887,170) in Australia. The Company's exploration and evaluation assets at January 31, 2024 were $97,536 (2023 - $6,669,906).

(Expressed in Canadian dollars)

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 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%.

Leigh Creek had no operations for the period from acquisition to January 31, 2024 and no significant assets or liabilities other than holding title to an exploration license in Southern Australia.

As at January 31, 2024, the Company determined that the carrying value of its investment in Leigh Creek had exceeded its recoverable value. Subsequent to January 31, 2024, the Company disposed of its interest to a related party (Note 12). Accordingly, the Company impaired the property to $30,000 and recorded a write-down of $3,857,170 in the statement of loss and comprehensive loss.

11. INCOME TAXES

In assessing deferred income tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment and concluding the deferred tax assets were not realized.

The following table reconciles the amount income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2024	**2023**
Canadian statutory income tax rate	27%	27%
	$	$
Loss for the year before income taxes	(10,852,429)	(1,057,712)
Expected income tax recovery	(2,930,000)	(286,000)
Changes in statutory rates and other	(141,000)	23,000
Impact of flow-through shares	-	91,000
Permanent differences	1,161,000	6,000
Adjustment to prior years provision	20,000	31,000
Change in unrecognized deductible temporary differences	1,890,000	135,000
Total income tax expense	-	-

(Expressed in Canadian dollars)

The nature and effect of the Company's deferred tax assets is as follows:

	2024	**2023**
	$	$
Exploration and evaluation assets	1,334,000	(416,000)
Property and equipment	4,000	-
Share issue costs	-	8,000
Marketable securities	-3,000	3,000
Asset retirement obligation	9,000	-
Allowable capital losses	7,000	-
Non-capital losses carryforward	674,000	533,000
	2,025,000	128,000
Deferred tax assets not recognized	(2,025,000)	(128,000)
Net deferred tax asset	-	-

As at January 31, 2024, the Company had non-capital losses carried forward of approximately $2,497,000 which may be applied to reduce future years' taxable income, subject to final determination by taxation authorities, expiring in 2044. The Company also had the following tax assets to carry forward with no expiry date, such as allowable capital losses for $25,000 and marketable securities for $16,000.

12. SUBSEQUENT EVENT

Subsequent to January 31, 2024, MagMetal entered into an agreement with Crest Resources Inc., a related party, to sell its 20% interest in Leigh Creek, for consideration of 500,000 common shares of Crest Resources Inc. at a fair value of $30,000 on the day of receipt.