CMP MINING INC.

FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2023 and 2022

(Expressed in Canadian dollars)

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Independent Auditor's Report

To the Shareholders of CMP Mining Inc.

Opinion

We have audited the financial statements of CMP Mining Inc. (the "Company"), which comprise the statements of financial position as at May 31, 2023 and May 31, 2022 and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2023 and May 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
September 26, 2023

CMP Mining Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

As at	Note	May 31, 2023	May 31, 2022
		$	**$**
ASSETS			
CURRENT			
Cash		167,575	580,525
Prepaid expenses and deposits		9,696	-
GST receivable		20,709	7,361
		197,980	587,886
Exploration and evaluation asset	6	27,700	27,700
TOTAL ASSETS		225,680	615,586
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	8, 11	101,372	123,511
Flow-through premium	8	-	98,299
Loan payable	7	40,000	-
TOTAL LIABILITIES		141,372	221,810
SHAREHOLDERS' EQUITY			
Common shares	9	658,258	658,258
Deficit		(573,950)	(264,482)
TOTAL SHAREHOLDERS' EQUITY		84,308	393,776
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		225,680	615,586

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved and authorized for issue on behalf of the Board on September 26, 2023:

"Rick Trotman" Director

"Terri Anne Welyki" Director

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

CMP Mining Inc.
Statements of Comprehensive Loss
For the years ended May 31, 2023 and 2022
(Expressed in Canadian dollars)

	Note	May 31, 2023	May 31, 2022
EXPENSES		**$**	**$**
Audit fees and tax compliance		25,500	17,300
Exploration and evaluation	6	231,658	53,277
Legal fees		68,217	14,344
Office and general administrative expense	11	35,434	20,500
Regulatory and transfer agent		32,251	-
		393,060	105,421
NET LOSS BEFORE OTHER ITEMS		(393,060)	(105,421)
OTHER ITEMS			
Recovery of flow-through premium	8	86,772	3,401
Part XII.6 tax expense		(7,238)	-
Impairment of investment	5	-	(80,969)
Interest income		4,058	560
TOTAL OTHER ITEMS		83,592	(77,008)
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(309,468)	(182,429)
Loss per share, basic and diluted		(0.02)	(0.02)
Weighted average number of common shares outstanding – basic and diluted		14,788,000	9,211,156

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

CMP Mining Inc.
Statements of Changes in Equity
(Expressed in Canadian dollars)

	Note	Common Shares Number of Shares	Common Shares Amount	Deficit	Total
			$	$	$
Balance, May 31, 2021		4,930,000	171,500	(82,053)	89,447
Shares issued pursuant to private placement	9	5,690,000	284,500	-	284,500
Issuance of flow-through common shares	9	4,068,000	305,100	-	305,100
Flow-through share premium	9	-	(101,700)	-	(101,700)
Share issuance costs – cash		-	(6,142)	-	(6,142)
Issuance of common shares for acquisition of exploration and evaluation assets	9	100,000	5,000	-	5,000
Net loss for the year		-	-	(182,429)	(182,429)
Balance, May 31, 2022		14,788,000	658,258	(264,482)	393,776
Net loss for the year		-	-	(309,468)	(309,468)
Balance, May 31, 2023		14,788,000	658,258	(573,950)	84,308

CMP Mining Inc.
Statements of Cash Flows
For the years ended May 31, 2023 and 2022
(Expressed in Canadian dollars)

	May 31, 2023	May 31, 2022
Cash provided by (used in):	**$**	**$**
OPERATING ACTIVITIES		
Net loss for the year	(309,468)	(182,429)
Items not affecting cash		
Interest accrued on loan receivable	-	(308)
Recovery of flow through premium	(86,772)	(3,401)
Impairment of investment	-	80,969
Net changes in non-cash working capital items:		
GST receivable	(13,348)	(4,991)
Accounts payable and accrued liabilities	(33,666)	86,299
Prepaid expenses and deposits	(9,696)	-
Net cash used in operating activities	(452,950)	(23,861)
INVESTING ACTIVITY		
Exploration and evaluation asset	-	(22,700)
Net cash used in investing activity	-	(22,700)
FINANCING ACTIVITIES		
Loan payable	40,000	-
Shares issued for cash, net	-	583,458
Net cash provided by financing activities	40,000	583,458
Change in cash	(412,950)	536,897
Cash, beginning of year	580,525	43,628
Cash, end of year	167,575	580,525
Cash paid on interest	$ -	$ -
Cash paid on taxes	$ -	$ -
Cash received from interest	$ -	$ -
Non-cash investing and financing activities		
Shares issued for exploration and evaluation asset	$ -	$ 5,000

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

1. NATURE OF OPERATIONS AND GOING CONCERN

CMP Mining Inc., formerly known as Vanadium 23 Capital Corporation (the "Company"), was incorporated on January 30, 2018 as 1151139 BC Ltd. pursuant to the *Business Corporations Act* of British Columbia. The Company's principal business activities include the acquisition and exploration of mineral property assets. The Company's common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "CMP".

The head office and principal address of the Company is located at Suite 2820, 200 Granville Street. Vancouver, BC, V6C 1S4. The registered and records office of the Company is located at Suite 1604 – 1166 Alberni Street, Vancouver, BC, V6E 3Z3.

The Company's financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Management recognizes that the Company will need to obtain additional financial resources in order to meet its planned business objectives. There are no assurances that the Company will be able to obtain additional financial resources and/or achieve positive cash flows or profitability. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

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

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue in accordance with a resolution from the Board of Directors on September 26, 2023.

b) Basis of presentation

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

c) Financial instruments

<u>Financial assets</u>

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL). The classification of financial assets depends on the purpose for which the financial assets were acquired and is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets at amortized cost are measured at amortized cost using the effective interest method. Financial assets are measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Financial assets are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire. On derecognition, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognized in profit or loss.

<u>Financial liabilities</u>

Financial liabilities are designated as either: FVTPL or amortized cost. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. Financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method.

Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled, or they expire.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments (continued)

Impairment of financial assets measured at amortized cost

An expected credit loss ("ECL") model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The ECL model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined, and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account, and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. The Company's financial assets measured at amortized cost are subject to the ECL model.

The impairment loss recognized on financial assets during the year ended May 31, 2023 was $nil (2022 - $80,969).

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

The Company has classified its cash, loan payable and accounts payable and accrued liabilities at amortized cost.

d) Related party 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Exploration and evaluation asset

Costs related to obtaining legal right to explore a property are recognized and capitalized. Exploration expenditures are expensed in the period in which they are incurred. These exploration expenditures can include such costs as wages and salaries, surveying, geological consulting and laboratory, field supplies, travel and administration.

Exploration and evaluation asset is not amortized during the exploration stage. Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as ‘mines under construction’.

f) Impairment of non-financial assets

Non-financial assets, including exploration and evaluation asset are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down to its recoverable amount. An impairment loss is charged to profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (“cash generating units” or “CGU’s”). These are typically the individual properties or projects.

g) Reclamation provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset. These costs are depreciated on a basis consistent with the depreciation, depletion, and amortization of the underlying assets. The obligation is accreted over time for the change in its present value, with this accretion charge recognized as a finance expense in profit or loss. Additional environment disturbances or changes in reclamation costs will be recognized as additions to the corresponding assets and reclamation provision in the year in which they occur. The Company has no material restoration, reclamation, rehabilitation or environmental obligation as the disturbance to date is minimal.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand readily convertible into a known amount of cash and can be redeemed at any time without penalties, and amounts held in trust.

i) Share capital

The Company's common shares, and any future offerings of share warrants and options are Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

Flow-through shares are a type of common share and are securities permitted by Canadian Income Tax Legislation 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 any 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 flow-through premium liability. The flow-through premium liability is included in profit or loss as the qualifying expenditures are incurred.

The Company may issue units consisting of common shares and common share purchase warrants. The Company estimates the fair value of the common shares based on their market price on the share issuance date. The residual difference, if any, between the unit price and the fair value of each common share represents the fair value attributable to each warrant.

When shares are cancelled, the amount previously recognized in share capital remains unchanged.

j) Income taxes

Income taxes comprises both current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the income tax is also recognized in other comprehensive income or directly in equity. Current income taxes are the expected taxes payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to taxes payable in respect of previous years.

The Company accounts for potential future net tax assets which are attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and which are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, no net asset is recognized.

k) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, computed by dividing the net earnings (loss) by the weighted average number of outstanding shares in issue during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss), except that the weighted average number of outstanding shares include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. In a loss reporting period, potentially dilutive common shares are excluded from the loss per share calculation, as the effect would be anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Share-based payments

Share-based payments to employees are measured at fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

m) Accounting standard issued but not yet effective

International Accounting Standard ("IAS") 1 Presentation of Financial Statements

IAS 1 has been amended to clarify the classification of liabilities as current or non-current. The amendments are effective for the years beginning on or after January 1, 2023. The Company is still in the process of assessing the impact of these amendments.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. The amendments are effective for reporting periods beginning on or after January 1, 2023. The Company is still in the process of assessing the impact of these amendments.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Critical accounting estimates

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Impairment of investment

The Company evaluated its investment at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's investment. The assessment of impairment is dependent upon estimates of recoverable amounts that take into account various factors.

Critical judgments in applying accounting policies

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include, but are not limited to, the following:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Recoverability of the carrying value of the Company's exploration and evaluation asset

Evaluating for recoverability during the exploration and evaluation phase requires judgment in determining whether future economic benefits from future exploitation, sale or otherwise are likely. Evaluations may be more complex where activities have not reached a stage which permits a reasonable assessment of the existence of reserves or resources. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, the interpretation of geological, geophysical and seismic data, the Company's financial ability to continue exploration and evaluation activities, contractual issues with joint venture partners, the impact of government legislation in the region, and the impact of current and expected future metal prices on potential reserves.

4. LOAN RECEIVABLE

The Company loaned Freepoint technology Inc. ("FreePoint") $75,000 (the "Loan") pending closing of the transactions under an amalgamation agreement ("Amalgamation Agreement"). The Loan bears interest at 5% per annum, compounded monthly, and payable on maturity. Upon closing of the transactions under the Amalgamation Agreement, the Loan becomes payable on such date and on such terms as the directors of the Company and FreePoint may then agree. If closing under the Amalgamation Agreement fails to occur, or the Amalgamation Agreement is otherwise terminated prior to closing, the Loan shall mature and be payable on that date being 12 months following the date of the first advance of funds. FreePoint covenants and agrees to use the Loan proceeds to pay for 1) general and administrative costs; and 2) costs associated with closing the transactions under the Amalgamation Agreement. The loan balance including outstanding interest amounted to $80,661 as at May 31, 2021. During the year ended May 31, 2022, the loan was converted into 1,152,299 units of FreePoint.

(Expressed in Canadian dollars)

5. INVESTMENT

On July 6, 2021, the Company and FreePoint agreed to settle the Loan being $80,661 plus $308 additional accrued interest to be converted to units, which was equivalent to 1,152,299 units at $0.07 per unit. Each unit comprised of one common share in the capital of Freepoint and one common share purchase warrant. Each warrant will entitle the holder to acquire one share at an exercise price of $0.07 per warrant. During the year ended May 31, 2022, the Company recorded an impairment of $80,969 on the investment as its recoverable amount is lower than the cost.

6. EXPLORATION AND EVALUATION ASSET AND EXPENSE

On December 22, 2021, the Company entered into an option agreement (the "Agreement") with Cariboo Rose Resources Ltd. ("Cariboo") whereby the Company will (a) make option payments to Cariboo totaling (i) $250,000 cash; (ii) 200,000 common shares of CMP ("CMP Shares"); and (iii) an additional $250,000 in cash or, at the election of CMP, CMP Shares; and (b) incurring $2,000,000 in exploration expenditures on the 70% interest in a property located in Merritt, BC, all over a period of four years.

During the year ended May 31, 2023, the Company did not incur any acquisition cost.

During the year ended May 31, 2022, the Company made a $20,000 payment and issued 100,000 shares at $0.05 per share for a value of $5,000 to Cariboo according to the Agreement. In addition, it incurred $2,700 for staking claims for the year ended May 31, 2022.

As at May 31, 2023, the Company has exploration and evaluation asset of $27,700 (May 31, 2022 - $27,700).

On October 17, 2022, the Agreement was amended to delay the payment schedule by one year and to increase the size of the property. On December 19, 2022, the Agreement was amended to change the $30,000 payment due December 22, 2023 from a cash payment to a payment of cash or common shares at the election of the Company.

On December 19, 2022, the Agreement was amended to the following schedule:

Due Date	Cash	Common Shares	Cash or Common Shares (3)	Exploration Expenditures
	$	**#**	**$**	**$**
December 24, 2021	20,000 (1)	100,000 (2)	-	-
December 22, 2023	-	100,000	30,000 (3)	300,000
December 22, 2024	40,000	-	30,000 (3)	500,000
December 22, 2025	50,000	-	70,000 (3)	500,000
December 22, 2026	110,000	-	150,000 (3)	700,000
Total	220,000	200,000	280,000 (3)	2,000,000

(1) The Company has made the payment
(2) The Company has issued the common shares
(3) Payable in cash or equivalent market value of common shares, at the election of the Company

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSET AND EXPENSE (continued)

The following table summarizes the exploration and evaluation expenses incurred at the property:

For the years ended		May 31, 2023		May 31, 2022
Analytical & sample related	$	3,091	$	17,235
Equipment and warehouse rental		10,084		3,059
Exploration travel and related		4,221		5,697
Drilling		132,263		-
Geological and geoscience		72,999		27,286
Permitting		9,000		-
Total	$	231,658	$	53,277

7. LOAN PAYABLE

On January 9, 2023, the Company entered into unsecured demand loan agreements with three shareholders for total proceeds of $40,000. The demand loans bear interest at an annual rate of 5%, to be calculated and accrued monthly. The loans and their accrued interest have a maturity date that is the earlier of (i) one year from the date of listing of the Company's shares on the CSE, which is January 26, 2023; and (ii) January 31, 2024. For the year ended May 31, 2023, the Company has accrued interest of $786 (May 31, 2022 - $nil).

8. FLOW-THROUGH PREMIUM

	May 31, 2023	May 31, 2022
Balance, beginning	$ 98,299	$ -
Liability recorded on flow-through shares issued	-	101,700
Settlement of flow-through share liability	(86,772)	(3,401)
Amendment of flow-through renunciation	(11,527)	-
Balance, ending	$ -	$ 98,299

During the year ended May 31, 2023, the Company incurred $260,317 (2022- $10,203) of qualifying expenditures resulting in a settlement of flow-through share liability of $86,772 (2022- $3,401) being recognized on the statement of comprehensive loss.

During the year ended May 31, 2022, the Company issued 4,068,000 flow-through shares for gross proceeds of $305,100. The Company recorded a flow-through share liability of $101,700.

During the year ended May 31, 2023, the Company amended its renunciation of qualifying expenditures for the December 23, 2021 flow-through private placement. Due to the amendment, the flow-through share liability of $11,527 was transferred to accounts payable and accrued liabilities.

As at May 31, 2023, the Company has an unspent flow-through commitment of $nil (May 31, 2022 - $294,897).

9. SHARE CAPITAL

Authorized:

The Company's authorized capital consists of an unlimited number of common shares without par value.

Issued and Outstanding:

On December 22, 2021, the Company issued 100,000 common shares regarding the Agreement with Cariboo (Note 6) at a price of $0.05 per share.

On December 23, 2021, the Company closed its private placement and raised gross proceeds of $305,100 through the sale of 4,068,000 flow-through shares at a price of $0.075 per share. The Company recorded a flow-through share liability of $101,700 for the difference between the fair value of its common shares and the issuance price of its flow-through common shares. On the same day, the Company also raised gross proceeds of $284,500 through the sale of 5,690,000 common shares at $0.05 per share.

As at May 31, 2023, there were 2,604,375 common shares held in escrow (May 31, 2022 - nil). These shares are to be released from escrow in six equal tranches commencing on July 26, 2023 and continuing every six months thereafter.

10. CAPITAL DISCLOSURE

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 resource properties. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash. There has been no change as of May 31, 2023.

11. 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 personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the year ended May 31, 2023, the Company incurred accounting and tax fees of $32,300 (2022 - $19,500) recorded in office and general administrative expenses accrued to Fehr & Associates, a corporation that employs the chief financial officer for accounting and tax services.

As at May 31, 2023, the Company has included in accounts payable and accrued liabilities $35,000 (May 31, 2022 - $20,561) owing to Fehr & Associates. This amount is unsecured, non-interest-bearing and due on demand.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair value

The carrying values of cash, accounts payable and accrued liabilities, and loan payable approximate their fair values due to the short-term nature of these instruments or market rates of interest.

Credit risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company limits its exposure to credit risk for cash by placing it with high quality financial institutions.

Liquidity risk

The Company manages liquidity risk through the management of its capital structure, as outlined in Note 10. The Company monitors its ability to meet its short-term exploration and administrative expenditure requirements by raising additional funds through share issuances when required. As of May 31, 2023, the Company had working capital surplus of $56,608 (May 31, 2022 - working capital surplus of $366,076).

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's future mining operations will be significantly affected by changes in the market price for precious metal. Precious metal prices fluctuate daily and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, level of interest rates, rate of inflation, investment decisions by large holders of commodities and stability of exchange rates can all cause significant fluctuations in commodity prices.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate due to changes in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant cash flow fluctuations due to interest rate changes on its loan payable, as it bears interest at fixed rate of 5%.

13. SEGMENTED INFORMATION

The Company's reportable operating segments, which are components of the Company's business where separate financial information is available and which are evaluated on a regular basis by the Company's Chief Executive Officer, who is the Company's chief operating decision maker, for the purpose of assessing performance. The Company's operating segments are its exploration and evaluation assets and expenditures which are incurred in Canada.

(Expressed in Canadian dollars)

14. INCOME TAX

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:

For the years ending	May 31, 2023	May 31, 2022
Canadian statutory income tax rate	27%	27%
Loss for the year before income taxes	$ (309,468)	$ (182,429)
Expected income tax recovery	(83,556)	(49,256)
Non-deductible (taxable) permanent differences	(23,428)	10,013
Unrecognized deductible temporary differences	106,984	39,243
Income taxes recoverable	-	-

The Company's unrecognized deductible temporary differences consist of the following amounts for the years ended May 31:

	2023	Expiry	2022	Expiry
	$		$	
Non-capital losses	299,000	2040-2043	134,000	2040-2042
Capital losses	81,000	None	81,000	None
Share issue costs	4,000	2044-2046	-	-
Exploration and evaluation expenditures	14,000	None	43,000	None
Unrecognized deductible temporary differences	398,000		258,000	