Snowy Owl Gold Corp.

Financial Statements

For the Years Ended May 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Snowy Owl Gold Corp.:

Opinion

We have audited the financial statements of Snowy Owl Gold Corp. (the "Company"), which comprise the statements of financial position as at May 31, 2022 and 2021 and the statements of loss and comprehensive loss, statements of changes in shareholders' equity and statements of 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, 2022 and 2021 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 audits 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 audits 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion & Analysis filed with the relevant Canadian securities commissions.

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 audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits and remain alert for indications that the other information appears to be materially misstated. 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 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 Anna C. Moreton.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.

September 28, 2022

Snowy Owl Gold Corp.
Statements of Financial Position
(Stated in Canadian Dollars)

	Notes	May 31, 2022	May 31, 2021
ASSETS			
Current assets			
Cash		$ 213,413	$ 472,653
Amounts receivable		4,903	9,073
Prepaid expenses		6,000	44,850
Total current assets		224,316	526,576
Exploration and evaluation assets	**4**	1	744,450
TOTAL ASSETS		$ 224,317	$ 1,271,026
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		$ 52,989	$ 74,727
Shareholders' equity			
Common shares	**5**	1,536,398	1,461,793
Share-based payments reserve	**6**	271,295	97,300
Deficit		(1,636,365)	(362,794)
Total equity		171,328	1,196,299
TOTAL LIABILITIES AND EQUITY		$ 224,317	$ 1,271,026
Nature and continuance of operations	**1**		
Subsequent events	**11**		

Approved on behalf of the Board of Directors:

"David Patterson"
David Patterson, Director

"Raymond Wladichuk"
Raymond Wladichuk, Director

The accompanying notes are an integral part of these financial statements

Snowy Owl Gold Corp.

Statements of Loss and Comprehensive Loss
(Stated in Canadian Dollars)

	Notes	Year-ended May 31, 2022	2021
Expenses			
Corporate development		$ 24,700	$ 25,972
General and administrative		53,233	20,255
Management fees	**7**	30,500	26,000
Pre-exploration costs		6,594	-
Professional fees		84,949	129,905
Regulatory, transfer agent & filing fees		18,675	21,308
Share-based payments	**6**	186,600	85,900
Loss for the period before other items		(405,251)	(309,340)
Other items			
Loss on write-down of exploration and evaluation asset	**4**	(868,320)	-
Loss and comprehensive loss for the year		$ (1,273,571)	$ (309,340)
Weighted average number of common shares outstanding			
Basic		32,083,512	23,125,285
Diluted		32,083,512	23,125,285
Basic and diluted loss per common share	**5**	$ (0.04)	$ (0.01)

The accompanying notes are an integral part of these financial statements

Snowy Owl Gold Corp.
Statements of Changes in Shareholders' Equity
(Stated in Canadian Dollars)

	Common Shares		Special	Share Subscriptions	Share-based Payments		
	Number	Amount	Warrants	Received	Reserve	Deficit	Total
Balance at May 31, 2021	31,821,000	$ 1,461,793	$ -	$ -	$ 97,300	$ (362,794)	$ 1,196,299
Common shares issued for cash:							
Exercise of stock options	400,000	44,605	-	-	(12,605)	-	32,000
Exercise of warrants	300,000	30,000	-	-	-	-	30,000
Share-based payments	-	-	-	-	186,600	-	186,600
Loss for the year	-	-	-	-	-	(1,273,571)	(1,273,571)
Balance at May 31, 2022	32,521,000	$ 1,536,398	$ -	$ -	$ 271,295	$ (1,636,365)	$ 171,328

	Common Shares		Special	Share Subscriptions	Share-based Payments		
	Number	Amount	Warrants	Received	Reserve	Deficit	Total
Balance at May 31, 2020	8,500,000	$ 375,000	$ 30,373	$ 50,000	$ -	$ (53,454)	$ 401,919
Common shares issued for cash:							
Private placements	17,520,000	876,000	-	(50,000)	-	-	826,000
Share issue costs	936,000	(64,580)	-	-	11,400	-	(53,180)
Exercise of warrants	50,000	5,000	-	-	-	-	5,000
Conversion of special warrants to common shares	815,000	30,373	(30,373)	-	-	-	-
Issue of common shares for exploration and evaluation assets	4,000,000	240,000	-	-	-	-	240,000
Share-based payments	-	-	-	-	85,900	-	85,900
Loss for the year	-	-	-	-	-	(309,340)	(309,340)
Balance at May 31, 2021	31,821,000	$ 1,461,793	$ -	$ -	$ 97,300	$ (362,794)	$ 1,196,299

The accompanying notes are an integral part of these financial statements

Snowy Owl Gold Corp.

Statements of Cash Flows

(Stated in Canadian Dollars)

	Year-ended May 31, 2022	2021
Operating activities		
Loss for the year	$ (1,273,571)	$ (309,340)
Item not involving cash:		
Share-based payments	186,600	85,900
Fair value of exercised options	(12,605)	-
Write-down of exploration and evaluation assets	868,320	-
Changes in non-cash working capital item:		
GST receivable	4,170	(9,073)
Prepaid expenses	38,850	-
Trade and other payables	(21,738)	(1,413)
Net cash used in operating activities	(209,974)	(233,926)
Investing activities		
Prepaid expenses on exploration and evaluation assets	-	(44,850)
Expenditures on exploration and evaluation assets	(123,871)	(145,942)
Net cash used in investing activities	(123,871)	(190,792)
Financing activity		
Proceeds from issuance of common shares, net of issue costs	74,605	777,820
Net cash provided by financing activity	74,605	777,820
Change in cash during the year	(259,240)	353,102
Cash, beginning of year	472,653	119,551
Cash, end of year	$ 213,413	$ 472,653
Supplemental Cash Flow Information		
Income taxes paid	$ -	$ -
Interest paid (received)	$ -	$ -
Non-cash Financing and Investing Activities		
Issuance of common shares for exploration and evaluation assets	$ -	$ 240,000
Trade and other payables included in exploration and evaluation assets	$ 2,256	$ 33,508

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Snowy Owl Gold Corp. (the "Company") was incorporated on November 9, 2018 pursuant to the Business Corporations Act (British Columbia). On January 8, 2021, a Prospectus filed by the Company was given final receipt by the British Columbia Securities Commission. On January 18, 2021, the Company's common shares began trading on the Canadian Securities Exchange ("CSE") under the symbol 'SNOW'.

These financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at May 31, 2022, the Company had not yet determined whether the Company's mineral property assets contains ore reserves that are economically recoverable. The recoverability of amounts 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 outcome of these matters cannot be predicted at this time.

During the first quarter of calendar 2020, there was a global outbreak of a novel coronavirus identified as "COVID-19". On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

As at May 31, 2022, the Company had not yet achieved profitable operations, has accumulated losses of $1,636,365 since inception, and expects to incur further losses in the development of its business. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is primarily dependent upon its ability to raise financing from equity markets or borrowings and upon successful results from its mineral property exploration activities. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

The office and principal place of business of the Company is located at 1100 – 1111 Melville Street, Vancouver, BC, V6E 2Y3.

2. BASIS OF PRESENTATION

a) Statement of compliance

The Company has prepared its financial statements in accordance with IFRS issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRIC").

b) Basis of presentation

These financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. The financial statements have been prepared on an accrual basis, except for the statements of cash flows, and are based on historical costs except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

c) Approval of the financial statements

The financial statements of the Company for the years ended May 31, 2022 and 2021 were reviewed, approved and authorized for issue by the Board of Directors on September 28, 2022.

d) Recent accounting pronouncements and changes to accounting policies

At the date of authorization of these financial statements, the IASB and IFRIC have issued new and revised Standards and Interpretations which are not yet effective, and none of which are expected to have a material impact on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash in the statements of financial position comprise cash at banks, or held in trust, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash, and subject to insignificant risk of changes in fair value. The Company held no cash equivalents at May 31, 2022 and 2021.

b) Foreign currencies

The financial statements are presented in Canadian dollars. The Company's functional currency is the Canadian dollar, which is the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are initially recorded at the foreign currency exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to the foreign currency rate of exchange at the date of the statement of financial position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

c) Exploration and evaluation expenditures

Costs incurred before the Company has obtained the legal rights to explore an area are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, costs to acquire the property along with costs directly related to exploration and evaluation ("E&E") are capitalized. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment acquired and used during the exploration phase. Costs not directly attributed to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

Government tax credits received are recorded as a reduction to the cumulative costs incurred on the related property.

When a project is deemed to no longer have commercially viable prospects to the Company, capitalized costs in respect of that project are deemed to be impaired. As a result, those capitalized costs, in excess of estimated recoveries, are charged to profit or loss.

Recoverability of the carrying amount of any mineral property assets is dependent on successful development and commercial exploitation, or alternatively sale of the respective areas of interest.

Mineral exploration and evaluation expenditures are classified as intangible assets.

d) Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date, and when facts and circumstances suggest there may be an impairment, to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous periods.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

e) Decommissioning, restoration and similar liabilities

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

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

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

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable. The Company currently has no material restoration, rehabilitation and environmental obligations.

f) Share capital

Common shares, options and warrants are classified as equity. Transaction costs directly attributable to the issue of common shares, options and warrants are recognized as a deduction from equity, net of any tax effects.

The Company bifurcates units which consist of common shares and share purchase warrants using the residual value approach, whereby it measures the common share component of the unit at fair value using quoted prices as input values and then allocates the residual value, if any, of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to share-based payment reserve. When warrants are exercised, forfeited or expire, the corresponding value is transferred from share-based payment reserve to common stock.

g) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: (a) a flow-through share premium equal to the estimated premium, if any,

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

g) Flow-through shares (continued):

investors pay for the flow-through feature, which is recognized as a liability, and (b) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until qualifying expenditures are incurred.

h) Share-based payments

Employees (including directors and senior executives) of the Company may receive a portion of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

Where equity instruments are issued for goods or services to other than employees, the transaction is measured at the fair value of the goods or services received by the Company. When the value of the goods or services cannot be specifically identified, they are measured at the fair value of the share-based payment.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share-based payments reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional amount is recognized on the same basis as the amount of the original award for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the recipient as measured at the date of modification.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

i) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are substantively enacted by the date of the statement of financial position.

Deferred tax
Deferred taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable earnings; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable earnings; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the date of each statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the date of each statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

i) Taxation (continued):

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Deferred tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

j) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) for the period available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of the Company. The Company uses the treasury stock method of calculating fully diluted earnings per share amounts, whereby any proceeds from the exercise of dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. Basic and diluted loss per share are the same for the periods presented, as the effect of dilutive instruments outstanding, during the periods presented, would be anti-dilutive.

k) Financial instruments

Recognition
The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectation of recovering the contractual cash flows of a financial asset.

Classification and measurement
The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

a) those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and
b) those to be measured subsequently at amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

k) Financial instruments (continued):

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

i) amortized cost;
ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company's financial assets consists of cash which is classified and subsequently measured at amortized cost. The Company's financial liabilities consist of trade and other payables which are classified and measured at amortized cost using the effective interest method. The 'effective interest rate' is the rate that discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets. Interest expense is reported in profit or loss.

<u>Impairment</u>
The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

l) Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities 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 under different assumptions and conditions.

The areas that require significant estimations or where measurements are uncertain are as follows:

Share-based payments
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying accounting policies in the Company's financial statements include:

Title to mineral property interests
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.

Exploration and Evaluation Expenditures
The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which are based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is charged to profit or loss in the period the new information becomes available.

Going Concern
The determination of the Company's ability to continue as a going concern requires significant judgment. Material adjustments to the Company's assets and liabilities would be required if the going concern assumption was not used.

(Stated in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

Golden Eagle Project

On April 17, 2020, the Company purchased 161 mineral claims covering an estimated 8,887 hectares located in south-western Quebec, Canada.

The Company purchased these claims for consideration of 6,500,000 common shares of the Company. The fair value of the common shares was $0.05 per share and $325,000 was capitalized to exploration and evaluation assets during the year ended May 31, 2020.

Panache Gold Project

On March 19, 2021, the Company entered into an agreement to purchase 12 mineral claims comprising the Panache Gold Project, Quebec. The Company paid $25,000 in cash and issued 4,000,000 common shares at a fair value of $0.06 per share. The Panache Gold Project is subject to a 2% Net Smelter Returns royalty, which may be reduced to 1% at any time through the payment of $1,000,000.

Riviere Lois Project

On October 7, 2021, the Company announced that it has entered into an agreement with Val-d'Or Mining Corporation ("Val-d'Or") for the purchase of the Val d'Or's Riviere Lois Prospect. The transaction is subject to the approval of the CSE. As at May 31, 2022 and as of the date of this report, closing conditions for the purchase of the Riviere Lois Prospect have not been met. No share issuances or acquisition costs have been recognized as at May 31, 2022 and the Company has since abandoned its interest.

The Company has incurred the following expenditures during the years ended May 31, 2022 and 2021:

	Golden Eagle	Panache	Total
Balance at May 31, 2020	$ 325,000	$ -	$ 325,000
Acquisition costs	-	265,000	265,000
Geology, compliance and reporting	48,559	9,953	58,512
Geophysics	95,939	-	95,939
Balance at May 31, 2021	469,498	274,953	744,450
Acquisition costs	-	228	228
Geology, compliance and reporting	57,176	39,513	96,689
Geochemistry	9,657	6,965	16,622
Transportation and lodging	5,202	5,129	10,331
Impairment of assets	(541,532)	(326,788)	(868,320)
Balance at May 31, 2022	$ 1	$ -	$ 1

In accordance with IFRS 6 – Exploration for and Evaluation of Mineral Properties, management determined that there were indicators of impairment for the Company's mineral properties. The indicators of impairment are the result of the Company not having planned or budgeted exploration expenditures for these properties. As a result of the indicators of impairment, the Company has impaired its exploration and evaluation assets to $1.

5. COMMON SHARES

a) Authorized:

An unlimited number of common shares with no par value.
An unlimited number of common shares with no par value.

b) Issued:

During the year ended May 31, 2022, the Company issued issued the following common shares:

- On July 22, 2021, the Company issued 200,000 common shares on the exercise of 200,000 options for gross proceeds of $20,000. On the date of exercise, the market price of the Company's shares were $0.12 per share.

- On July 26, 2021, the Company issued 300,000 common shares on the exercise of 300,000 warrants for gross proceeds of $30,000. On the date of exercise, the market price of the Company's shares were $0.11 per share.

- On February 24, 2022, the Company issued 200,000 common shares on the exercise of 200,000 options for gross proceeds of $12,000. On the date of exercise, the market price of the Company's shares were $0.05 per share.

As at May 31, 2022, the Company had 1,116,000 common shares remaining in escrow. The remaining shares will be fully released over the next 18 months in equal installments.

During the year ended May 31, 2021, the Company issued the following common shares:

- On December 15, 2020, the Company completed a private placement of: (i) 5,300,000 units (each a "Unit") at a price of $0.05 per Unit; and (ii) 1,970,000 Common Shares on a "flow-through" basis (each a "FT Share") at a price of $0.05 per FT Share, for aggregate gross proceeds of $363,500. Each Unit consists of (i) one Common Share and (ii) one-half of one transferable Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one additional Common Share in the capital of the Company at a price of $0.10 per Warrant Share until December 15, 2022. In connection with the private placement, the Company issued an aggregate of 564,000 Finder Warrants and 564,000 Finder Shares to registered dealers. The 564,000 Finder Warrants issued have an exercise price of $0.10 and expire December 15, 2022. The Company did not pay any cash finder's fees in connection with the private placement.

- On June 25, 2020, the Company issued 7,000,000 units (each a "Unit") at a price of $0.05 per Unit for gross proceeds of $350,000. Each Unit consists of one common share and one-half of one transferable common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one additional common share (the "Warrant Shares") in the capital of the Company at a price of $0.10 per Warrant Share until June 25, 2022.

  Also on June 25, 2020, the Company issued 3,250,000 common shares on a "flow-through" basis (each a "FT Share") at a price of $0.05 per FT Share for gross proceeds of $162,500.

5. COMMON SHARES (continued):

b) Issued (continued):

In connection with the June 25, 2020 private placements, the Company paid finder's fees to registered dealers totaling $36,600 in cash and issued an aggregate of 364,000 warrants and 372,000 common shares. The 364,000 warrants issued as finder's fees have an exercise price of $0.10 and expire June 25, 2022.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. As of May 31, 2022 and 2021, the Company had an unspent flow-through commitment of $10,298 (2021 - $139,349)

6. SHARE-BASED PAYMENTS RESERVE

a) Warrants:

During the year ended May 31, 2022, the Company issued the following warrants:

- On July 14, 2021, the Company granted 1,000,000 warrants to a third-party consultant for services rendered; each warrant is exercisable to acquire a common share at an exercise price of $0.135 expiring July 14, 2022. The Company recognized $61,100 for share-based payments.

  The fair value of the 1,000,000 warrants was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.45%, a dividend yield of nil, an expected annual volatility of the Company's share price of 120.00% and an expected life of 1 years. The fair value of each warrant was $0.06. The expected volatility assumption is based on the estimated volatility of comparable early-stage mineral exploration companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the warrants' expected life.

  On the date of the grant of the warrants, the market price of the Company's shares were $0.135 per share.

- On July 26, 2021, the Company granted 1,000,000 warrants to a third-party consultant for services rendered; each warrant is exercisable to acquire a common share at an exercise price of $0.12 expiring July 26, 2022. The Company recognized $54,300 for share-based payments.

  The fair value of the 1,000,000 warrants was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.45%, a dividend yield of nil, an expected annual volatility of the Company's share price of 120.00% and an expected life of 1 year. The fair value of each warrant was $0.05. The expected volatility assumption is based on the estimated volatility of comparable early-stage mineral exploration companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the warrants' expected life.

  On the date of the grant of the warrants, the market price of the Company's shares were $0.145 per share.

(Stated in Canadian Dollars)

6. SHARE-BASED PAYMENTS RESERVE (continued):

a) Warrants (continued):

The changes in warrants issued during the years ended May 31, 2022 and 2021 are as follows:

	Year ended May 31, 2022		Year ended May 31, 2021	
	Number of warrants	Weighted-average exercise price	Number of warrants	Weighted-average exercise price
Balance, beginning of year	7,028,000	$ 0.10	-	$ -
Issued	2,000,000	$ 0.1275	7,078,000	$ 0.10
Exercised	(300,000)	$ 0.10	(50,000)	$ 0.10
Balance, end of year	8,728,000	$ 0.11	7,028,000	$ 0.10

Expiry Date	Number of Warrants	Exercise Price
June 25, 2022**	3,814,000	$0.10
December 15, 2022	2,914,000	$0.10
July 14, 2022**	1,000,000	$0.135
July 26, 2022**	1,000,000	$0.12
	8,728,000	$0.11*

Warrants exercisable and outstanding as at May 31, 2022 are as follows:

*Weighted average exercise price
**Subsequent to the period ended May 31, 2022, an aggregate of 5,814,000 warrants with a weighted average exercise price of $0.11 expired.

b) Stock Options:

On June 4, 2020, the Company adopted a stock option plan in accordance with the rules and policies of the CSE. The terms of any award are determined by the Board, provided that no options may be granted with an exercise price lower than the greater of the closing market price of the Common Shares on (a) the trading day prior to the date of the grant of the stock options, and (b) the date of grant of the stock options; and the term may not exceed 10 years. The aggregate number of securities available for issuance under the plan may not exceed 10% of the number of common shares of the Company issued and outstanding from time to time.

6. SHARE-BASED PAYMENTS RESERVE (continued):

b) Stock Options (continued):

During the year ended May 31, 2022, the Company granted the following stock options:

- On July 14, 2021, the Company granted 500,000 stock options to a Director and a consultant; each option is exercisable to acquire a common share at an exercise price of $0.135 expiring July 14, 2026. The stock options vested immediately upon grant. The Company recognized $53,600 for share-based payments.

  The fair value of the 500,000 stock options was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.45%, a dividend yield of nil, an expected annual volatility of the Company's share price of 112.50% and an expected life of 5 years. The fair value of each option was $0.11. The expected volatility assumption is based on the estimated volatility of comparable early-stage mineral exploration companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the options' expected life.

- On December 21, 2021, the Company granted 200,000 stock options to a Director. The options are exercisable to acquire a common share at an exercise price of $0.065 expiring December 21, 2023. The stock options vested immediately upon grant. The Company recognized $8,400 for share-based payments.

  The fair value of the 200,000 stock options was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.95%, a dividend yield of nil, an expected annual volatility of the Company's share price of 130.34% and an expected life of 2 years. The fair value of each option was $0.04. The expected volatility assumption is based on the estimated volatility of comparable early-stage mineral exploration companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the options' expected life.

- On February 23, 2022, the Company granted 300,000 stock options to a Director. The options are exercisable to acquire a common share at an exercise price of $0.05 expiring February 23, 2024. The stock options vested immediately upon grant. The Company recognized $9,200 for share-based payments.

  The fair value of the 300,000 stock options was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 1.47%, a dividend yield of nil, an expected annual volatility of the Company's share price of 120.74% and an expected life of 2 years. The fair value of each option was $0.03. The expected volatility assumption is based on the estimated volatility of comparable early-stage mineral exploration companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the options' expected life.

(Stated in Canadian Dollars)

6. SHARE-BASED PAYMENTS RESERVE (continued):

b) Stock Options (continued):

During the year ended May 31, 2021, the Company granted the following stock options:

- On June 4, 2020, the Company granted 1,000,000 stock options to Directors and officers, each option is exercisable to acquire a common share at an exercise price of $0.10 expiring June 4, 2025. The stock options vested immediately upon grant. The Company recognized $24,900 for share-based payments.

- On March 22, 2021, the Company granted 1,600,000 stock options to a Director and consultants, each option is exercisable to acquire a common share at an exercise price of $0.06 expiring March 22, 2026. The stock options vested immediately upon grant. The Company recognized $61,000 for share-based payments.

  The fair value of the 2,600,000 stock options was estimated using the Black-Scholes option pricing model assuming a weighted average risk-free interest rate of 0.76%, a dividend yield of nil, a weighted average expected annual volatility of the Company's share price of 80% and an expected life of 5 years. The fair value of the stock options was $0.03 per option. The expected volatility assumption is based on the estimated volatility of early-stage mineral exploration companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the options' expected life.

The changes in stock options issued during the years ended May 31, 2022 and 2021 are as follows:

	Year ended May 31, 2022			Year ended May 31, 2021		
	Number of options	Weighted-average exercise price		Number of options	Weighted-average exercise price	
Balance, beginning of year	2,600,000	$	0.075	-	$	-
Granted	1,000,000	$	0.10	2,600,000	$	0.075
Exercised	(400,000)	$	0.08	-	$	-
Balance, end of year	3,200,000	$	0.08	2,600,000	$	0.075

Stock options exercisable and outstanding as at May 31, 2022 are as follows:

Expiry Date	Number of Options	Exercise Price
June 4, 2025	800,000	$0.10
March 22, 2026	1,400,000	$0.06
July 14, 2023	500,000	$0.14
December 15, 2023	200,000	$0.065
February 25, 2024	300,000	$0.05
	3,200,000	$0.08*

*Weighted average exercise price

(Stated in Canadian Dollars)

7. 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. Parties are also considered to be related if they are subject to common control or common significant influence, 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. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

The following is a summary of the related party transactions that occurred during the years ended May 31, 2022 and 2021:

a) Compensation of key management personnel

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company has determined that key management personnel consist of its Directors, the CEO and the CFO.

	Year-ended May 31, 2022	Year-ended May 31, 2021
Management fees	$ 29,000	$ 26,000
Director fees	1,500	-
Other payments	3,000	-
Share-based payments - vested stock options	39,040	27,545
	$ 72,540	$ 53,545

The Company incurred share-based payments of $186,600 of which $39,040 represents the fair value vesting of stock options granted to key management personnel.

As at May 31, 2022, $2,600 (2021 - $Nil) is owing to related parties and is included in accounts payable.

8. FINANCIAL INSTRUMENTS

Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values.

The levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices 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 that are not based on observable market data (unobservable inputs).

8. FINANCIAL INSTRUMENTS (continued):

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management manages financial risks. The Company does not enter into financial instruments agreements, including derivative financial instruments for speculative purposes. The Company's main financial risks exposure and its financial policies are as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents are exposed to credit risk, with the carrying value being the Company's maximum exposure. The Company's cash consists of funds held at a Canadian chartered bank or occasionally, in trust with the Company's corporate lawyer. Management believes the Company's exposure to credit risk is minimal.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as cash comprise of funds held at a Canadian chartered bank as at May 31, 2022. The Company had no interest rate swaps or financial contracts in place as at or during the years ended May 31, 2022 and 2021.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company seeks to ensure that it has sufficient capital to meet short term financial obligations after considering its operating obligations and cash on hand. As at May 31, 2022, the Company had cash of $213,413 to settle trade and other payables of $52,992.

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments. As at May 31, 2022 and 2021, the Company's financial instruments are cash and trade and other payables. The amounts reflected in the statement of financial position approximate their fair values due to the short-term nature of these financial instruments.

9. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares and its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to acquire and explore mineral property assets. The Company does not have any externally imposed capital requirements to which it is subject. 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 equity instruments.

(Stated in Canadian Dollars)

10. INCOME TAX

Tax expense differs from the amount computed by applying the combined Canadian federal and provincial income tax rates, applicable to the Company, to the income (loss) before taxes due to the following:

	Year ended May 31, 2022	2021
Income (loss) before income taxes	$ (1,273,571)	$ (309,340)
Canadian federal and provincial income tax rate	26.5%	26.5%
Income tax expense (recovery) based on Canadian federal and provincial income tax rates	(337,496)	(81,975)
Increase (decrease) in income taxes attributable to:		
Flow-through share renunciation	-	69,165
Other	(6,453)	(6,453)
Non-deductible expenses	49,449	22,764
Tax benefits not recognized	294,500	(3,501)
Income tax (recovery)	$ -	$ -

Unrecognized deductible temporary differences and unused tax losses are attributed to the following:

	Year ended May 31, 2022	2021
Share issuance costs	$ 18,568	$ 25,021
Exploration and evaluation assets	132,704	(69,165)
Non-capital loss carry forwards	144,554	80,159
	295,826	36,015
Less: tax benefits not recognized	(295,826)	(36,015)
	$ -	$ -

11. SUBSEQUENT EVENTS

a) Subsequent to the period ended May 31, 2022, an aggregate of 5,814,000 warrants with a weighted average exercise price of $0.11 expired.

b) b) Subsequent to the period ended May 31, 2022, an aggregate of 279,000 common shares were released from escrow.

c) Subsequent to the period ended May 31, 2022, the Company entered into an arm's length non-binding letter of intent dated with Bluecorp Capital Corp. (doing business as Boba Mint ("Boba"), a developer of play-to-earn ("PTE") gaming software focused on the development and monetization of Web 3.0 products and Ethereum blockchain technologies. The Company proposes to acquire all of the issued and outstanding securities of Boba by way of a share exchange, amalgamation or such other form of business combination as the parties may determine (the "Proposed Transaction"). Upon completion of the Proposed Transaction, Boba will either be a wholly-owned direct subsidiary of the Company or will have

11. SUBSEQUENT EVENTS (continued):

merged with the Company, with the Company being the surviving entity (in both scenarios, the "Resulting Issuer"). It is anticipated that the Resulting Issuer will be listed on the CSE and will carry on the business of Boba. Further details of the Proposed Transaction

Boba is a corporation existing under the laws of British Columbia. Boba currently has:

(i) 163,787,000 common shares issued and outstanding;
(ii) 24,250,000 common share purchase warrants issued to various consultants; and
(iii) 1,609,000 common share purchase warrants issued to finders and brokers.

Consideration for the Proposed Transaction is expected to be satisfied through the issuance to the shareholders of Boba of an aggregate of 163,787,000 common shares of the Company at a deemed issue price of $0.10 per share (the "Consideration Shares"), subject to all necessary regulatory and securityholder approvals. The Consideration Shares will be subject to the escrow requirements of the CSE. It is expected that Boba shareholders will hold an aggregate of 82% of the shares of the Company following closing of the Proposed Transaction, with shareholders of Company holding the remaining 18%. Further details of the proposed transaction can be found on www.sedar.com.

The Company has also agreed to lend Boba an aggregate amount of $150,000 (the "Loan"). The Loan will be secured against all of the assets of Boba, have a term of 12 months, and be subject to an annual interest rate of 5%. The Company may accelerate the term of the Loan in the event that the parties do not complete the Proposed Transaction. Subsequent to year end the Company has advanced $35,000 to Boba.

The final terms of the Proposed Transaction will be set out in the definitive agreement ("Definitive Agreement"). The Definitive Agreement will contain, subject to the results of due diligence, representations and warranties for the benefit of each of the Company and Boba, conditions relating to shareholder and regulatory approvals, material adverse changes and compliance with the Definitive Agreement as are in each case customary in comparable transactions of this nature.