Snowy Owl Gold Corp.

Consolidated Financial Statements

(Stated in Canadian Dollars)

For the Years-Ended May 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Snowy Owl Gold Corp.:

Opinion

We have audited the consolidated financial statements of Snowy Owl Gold Corp. and its subsidiary (together the "Company"), which comprise the consolidated statements of financial position as at May 31, 2023 and 2022 and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our 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 consolidated financial statements, which describes 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended May 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined that there are no other key audit matters to communicate in our report.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit 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 Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Anna C. Moreton.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
September 28, 2023

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

	Notes	May 31, 2023	May 31, 2022
ASSETS			
Current assets			
Cash		$ 25,433	$ 213,413
Amounts receivable		326	4,903
Loan receivable	**4**	105,437	-
Prepaid expenses		-	6,000
Total current assets		131,196	224,316
Exploration and evaluation assets	**5**	1	1
TOTAL ASSETS		$ 131,197	$ 224,317
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		$ 60,950	$ 50,389
Due to related parties	**8**	10,000	2,600
Total current liabilies		70,950	52,989
Shareholders' equity			
Common shares	**6**	1,536,398	1,536,398
Share-based payments reserve	**7**	271,295	271,295
Deficit		(1,747,446)	(1,636,365)
Total equity		60,247	171,328
TOTAL LIABILITIES AND EQUITY		$ 131,197	$ 224,317

Nature and continuance of operations **1**
Subsequent event **13**

Approved on behalf of the Board of Directors:

"David Patterson"	*"Raymond Wladichuk"*
David Patterson, Director	Raymond Wladichuk, Director

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

Snowy Owl Gold Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Stated in Canadian Dollars)

	Notes	Year-ended May 31, 2023	2022
Expenses			
Corporate development		$ 4,325	$ 24,700
General and administrative		24,657	53,233
Management and director fees	**8**	54,000	30,500
Pre-exploration costs		-	6,594
Professional fees		56,214	84,949
Regulatory, transfer agent & filing fees		20,338	18,675
Share-based payments	**7, 8**	-	186,600
Loss for the year before other items		(159,533)	(405,251)
Other items			
Gain on reversal of accrued liabilities	**8**	15,000	-
Interest income	**4**	3,341	-
Loss on write-down of exploration and evaluation assets	**5**	-	(868,320)
Recovery of exploration costs	**5**	30,112	-
Loss and comprehensive loss for the year		$ (111,081)	$ (1,273,571)
Weighted average number of common shares outstanding			
Basic		32,521,000	32,083,512
Diluted		32,521,000	32,083,512
Basic and diluted loss per common share		$ (0.00)	$ (0.04)

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

Snowy Owl Gold Corp.

Consolidated Statements of Changes in Shareholders' Equity

(Stated in Canadian Dollars)

	Common Shares Number	Common Shares Amount	Share-based Payments Reserve	Deficit	Total
Balance at May 31, 2022	32,521,000	$ 1,536,398	$ 271,295	$ (1,636,365)	$ 171,328
Loss and comprehensive loss for the year	-	-	-	(111,081)	(111,081)
Balance at May 31, 2023	32,521,000	$ 1,536,398	$ 271,295	$ (1,747,446)	$ 60,247

	Common Shares Number	Common Shares Amount	Share-based Payments 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 and comprehensive 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

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

Snowy Owl Gold Corp.
Consolidated Statements of Cash Flows
(Stated in Canadian Dollars)

	Notes	Year-ended May 31, 2023	2022
Operating activities			
Loss for the year		$ (111,081)	$ (1,273,571)
Item not involving cash:			
Share-based payments		-	186,600
Write-down of exploration and evaluation assets		-	868,320
Interest income	**4**	(3,341)	-
Changes in non-cash working capital item:			
Amounts receivable		4,577	4,170
Prepaid expenses		6,000	38,850
Trade and other payables		17,961	(21,738)
Net cash used in operating activities		(85,884)	(197,369)
Investing activities			
Loan receivable	**4**	(102,096)	-
Expenditures on exploration and evaluation assets		-	(123,871)
Net cash used in investing activities		(102,096)	(123,871)
Financing activity			
Proceeds from issuance of common shares, net of issue costs		-	62,000
Net cash provided by financing activity		-	62,000
Change in cash during the year		(187,980)	(259,240)
Cash, beginning of year		213,413	472,653
Cash, end of year		$ 25,433	$ 213,413
Supplemental Cash Flow Information			
Income taxes paid (recovered)		$ -	$ -
Interest paid (received)		$ -	$ -
Transfer from reserves on exercise of options		$ -	$ 12,605

The accompanying notes are an integral part of these consolidated 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) ("BCBCA"). 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'.

On October 7, 2022, at the request of the Company, the common shares were halted from trading.

On October 7, 2022, the Company entered into an amalgamation agreement with Bluecorp Capital Corp. ("Boba") a company organized under the laws of the Province of British Columbia, and 1381603 B.C. Ltd. ("Snowy Subco"), a wholly-owned subsidiary of the Company organized under the laws of the Province of British Columbia, which sets out the terms and conditions pursuant to which the Company and Boba, arm's length parties, will complete a transaction that will result in a reverse take-over of the Company by Boba (the "Transaction"). The amalgamation agreement replaces a Letter of Intent originally entered into on July 19, 2022 with Boba.

The Transaction is structured as a three-cornered amalgamation under the provisions of the BCBCA, pursuant to which, among other things, Snowy Subco will amalgamate with Boba (the "Amalgamation") to form a newly amalgamated company ("Amalco"). In connection with the Amalgamation, holders of common shares in the capital of Boba (the "Boba Shares") will receive common shares of the Company for each Boba Share held immediately before the Amalgamation, and Boba Warrant holders will receive common share purchase warrants to acquire common shares of the Company for each common share purchase warrant of Boba held immediately before the Amalgamation, with the same exercise price and terms and conditions.

Pursuant to the Transaction, the Company will change its name to "Boba Mint Holdings Ltd.", or such other name as may be determined by the Company and Boba, and as may be acceptable to the CSE and regulatory authorities. Upon completion of the Transaction, Amalco will carry on the business of Boba as a wholly-owned subsidiary of the Company.

It is anticipated that the Transaction will result in the Company, issuing an aggregate of approximately 167,437,001 common shares, at an issue price of $0.05, to the Boba Shareholders, and 25,859,000 warrants to Boba Warrant holders, exercisable into the same number of common shares. It is expected that Boba shareholders will hold an aggregate of approximately 83.7% of the common shares following closing of the proposed Transaction, with current Shareholders of the Company holding approximately 16.3% of the remaining common shares. The Transaction must be approved by the CSE and the shareholders of the Company prior to completion of the Transaction in order to qualify the common shares for listing.

In connection with, and as a condition to, the completion of the Transaction, the Company intends to:

i) dispose of all or substantially all of its assets, being those under the Property Disposition;

ii) in addition to electing six (6) directors to serve until the next annual general meeting of the shareholders in the ordinary course, conditional upon and effective as of the completion of the Transaction, fix the number of directors for the ensuing year at five (5);

iii) conditional on and effective upon the completion of the Transaction, change the Company's name for the Resulting Issuer to "Boba Mint Holdings Ltd." or such other name as the directors may determine in their discretion and acceptable to the CSE; and

iv) lend Boba up to $150,000 in connection with the transaction (Note 4).

1. NATURE AND CONTINUANCE OF OPERATIONS (continued):

In addition, and concurrent with the proposed Transaction, the Company will use its reasonable efforts to close a non-brokered private placement of subscription receipts (the "Subscription Receipts"), at a price of $0.05 per Subscription Receipt, for gross proceeds of up to $1,000,000 (the "Offering"). There is no minimum amount of the Offering. The net proceeds from the Offering with be used to fund the business. Pursuant to and in accordance with the subscription receipt agreement (the "Subscription Receipt Agreement") to be entered into with Endeavor Trust Company as escrow agent and subject to the exceptions described therein, each Subscription Receipt shall entitle the holder thereof to receive, upon automatic exchange in accordance with the terms of the Subscription Receipt Agreement, without payment of additional consideration or further act or formality on the part of the holder thereof, one common share (each, an "Underlying Share") and one common share purchase warrant (each, an "Underlying Warrant") upon the satisfaction or waiver (to the extent such waiver is permitted) of certain escrow release conditions, namely: (a) the consummation of the proposed Transaction; and (b) the common shares being conditionally approved for listing on the CSE and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the gross proceeds from the Offering. Each Underlying Warrant will entitle the holder to acquire one additional common share at an exercise price of $0.07 per share for a period of thirty-six (36) months from the closing date.

In the event that: (i) the escrow agent does not receive the release notice by the 120th day following the closing date of the Offering (the "Termination Date"), or (ii) if prior to the Termination Date, the Company advises the subscribers or announces to the public that it does not intend to satisfy the escrow release conditions under the Subscription Receipt Agreement, the escrow agent will return to each holder of Subscription Receipts an amount equal to their aggregate subscription price plus a pro rata portion of any interest and other income earned on the escrowed proceeds, if any, less applicable withholding taxes, if any, and the corresponding Subscription Receipts will be null and void and of no further effect. At the date of approval of these financial statements the Transaction had not yet closed.

As at May 31, 2023, the Company had not yet achieved profitable operations, had an accumulated deficit of $1,747,446 since inception, and expects to incur further losses in the development of its business. These conditions indicate a material uncertainty that may cast substantial 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 consolidated 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 consolidated 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 these consolidated financial statements in accordance with IFRS issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRICs").

2. BASIS OF PRESENTATION (continued):

b) Principles of consolidation

These consolidated financial statements comprise the financial statements of the parent company and its wholly owned subsidiary 1381603 B.C. Ltd. as at May 31, 2023. Subsidiaries are consolidated from the date on which the Company obtains control over the subsidiary. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. The subsidiary was incorporated on October 6, 2022 in the Province of British Columbia. All intragroup balances and transactions have been eliminated in full on consolidation.

c) Basis of presentation

These consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. These consolidated financial statements have been prepared on an accrual basis, except for the statements of cash flows, and are based on historical costs.

d) Approval of the consolidated financial statements

These consolidated financial statements of the Company for the year-ended May 31, 2023 were reviewed, approved and authorized for issue by the Board of Directors on September 28, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash in the consolidated statements of financial position is comprised of cash at banks and on-hand. The Company held no cash equivalents at May 31, 2023 and 2022.

b) Foreign currencies

The consolidated financial statements are presented in Canadian dollars. The functional currency of the Company and 1381603 B.C. Ltd., 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 consolidated 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 assets

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, and classified as intangible assets. 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 recovery of exploration costs in profit or loss.

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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

e) Decommissioning, restoration and similar liabilities (continued):

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are 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) 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

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

g) Share-based payments (continued):

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.

h) Taxation

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

<u>Current income tax</u>
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 consolidated statement of financial position.

<u>Deferred tax</u>
Deferred taxes are provided using the liability method on temporary differences at the date of the consolidated 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

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

h) Taxation (continued):

- 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 consolidated 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.

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 consolidated 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 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.

i) 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.

j) Financial instruments

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

j) Financial instruments (continued):

The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Recognition

The Company recognizes a financial asset or financial liability on the consolidated 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

j) Financial instruments (continued):

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 and loan receivable, both of which are classified and subsequently measured at amortized cost. The Company's financial liabilities consist of trade and other payables and due to related parties, both of 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.

The preparation of these consolidated 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 consolidated 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.

k) Significant accounting judgments and estimates

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

k) Significant accounting judgments and estimates (continued):

The preparation of consolidated 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 consolidated 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 Assets
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.

l) New standards, interpretations and amendments not yet adopted

As at May 31, 2023, the following accounting standards and amendments are effective for future periods. These are not expected to have material impact to the Company's consolidated financial statements on adoption.

Amendments to IAS 8 – Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the consolidated financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for annual periods beginning on or after January 1, 2023.

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

(Stated in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

l) New standards, interpretations and amendments not yet adopted (continued):

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 annual periods beginning on or after January 1, 2023.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments are applied retrospectively in accordance with IAS 8 with earlier application permitted.

4. LOAN RECEIVABLE

As part of the Transaction described in Note 1, the Company had agreed to lend Boba up to $150,000. The loan is secured against the assets of Boba, bears interest at 5% per annum and is repayable upon demand.

As at May 31, 2023, the loan balance is as follows:

	Balance
Balance, June 1, 2022	$ -
Loan	102,096
Interest	3,341
Balance, May 31, 2023	$ 105,437

5. 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.

(Stated in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued):

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 the closing conditions for the purchase of the Riviere Lois Prospect were not been met, no share were issued and the Company has since abandoned its interest.

The Company has incurred the following expenditures during the years-ended May 31, 2023 and 2022:

	Golden Eagle	Panache	Total
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 and 2023	$ 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 wrote-down its exploration and evaluation assets to $1 during the year-ended May 31, 2022.

During the year-ended May 31, 2023, the Company received $30,122 in Government tax credits. This was recorded as a recovery of exploration costs within profit or loss.

6. COMMON SHARES

a) Authorized:

An unlimited number of common shares with no par value.

b) Issued:

During the year-ended May 31, 2023, there were no common shares issued by the Company.

As at May 31, 2023, the Company had 558,000 common shares remaining in escrow. The remaining escrowed shares will be fully released over the next 8 months in two equal installments.

6. COMMON SHARES (continued):

b) Issued (continued):

During the year-ended May 31, 2022, the Company 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 was $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 was $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 was $0.05 per share.

7. SHARE-BASED PAYMENTS RESERVE

a) Warrants:

During the year-ended May 31, 2023, there were no warrants issued by the Company.

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 was $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 $0.135 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

(Stated in Canadian Dollars)

7. SHARE-BASED PAYMENTS RESERVE (continued):

a) Warrants (continued):

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 was $0.145 per share.

The changes in warrants issued during the years-ended May 31, 2023 and 2022 are as follows:

	Year-ended May 31, 2023			Year-ended May 31, 2022		
	Number of warrants		Weighted-average exercise price	Number of warrants		Weighted-average exercise price
Balance, beginning of the year	8,728,000	$	0.11	7,028,000	$	0.10
Issued	-		-	2,000,000		0.13
Expired	(8,728,000)		0.10	-		-
Exercised	-		-	(300,000)		0.10
Balance, end of year	-	$	-	8,728,000	$	0.11

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.

During the year-ended May 31, 2023, there were no stock options granted by the Company.

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

- 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 $0.135 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

7. SHARE-BASED PAYMENTS RESERVE (continued):

b) Stock Options (continued):

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 warrants' expected life. On the date of the granting of these stock options, the Company's common shares closed at $0.05 per share.

- 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 warrants' expected life. On the date of the granting of these stock options, the Company's common shares closed at $0.065 per share.

- On July 14, 2021, the Company granted an aggregate total of 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 warrants' expected life. On the date of the granting of these stock options, the Company's common shares closed at $0.135 per share.

(Stated in Canadian Dollars)

7. SHARE-BASED PAYMENTS RESERVE (continued):

b) Stock Options (continued):

The changes in stock options issued during the years-ended May 31, 2023 and 2022 are as follows:

	Year-ended May 31, 2023		Year-ended May 31, 2022	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
Balance, beginning of the year	3,200,000	$ 0.08	2,600,000	$ 0.08
Granted	-	-	1,000,000	0.10
Cancelled	(200,000)	0.135	-	-
Exercised	-	-	(400,000)	0.08
Balance, end of year	3,000,000	$ 0.08	3,200,000	$ 0.08

Stock options exercisable and outstanding as at May 31, 2023 are as follows:

Expiry Date	Number of Options	Exercise Price
December 21, 2023	200,000	$0.065
February 24, 2024	300,000	0.05
June 4, 2025	800,000	0.10
March 22, 2026	1,400,000	0.06
July 14, 2026	300,000	0.135
	3,000,000	$0.08*

*Weighted average exercise price

8. 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.

The following is a summary of the related party transactions that occurred during the years-ended May 31, 2023 and 2022:

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.

(Stated in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (continued):

a) Compensation of key management personnel (continued):

	For the Year-ended May 31, 2023	2022
Management fees	$ 27,000	$ 29,000
Director fees	27,000	1,500
Reversal of accrued liabilities	(15,000)	-
Other payments	-	3,000
Share-based payments - vested stock options	-	33,160
	$ 39,000	$ 66,660

During the year ended May 31, 2023 previously invoiced fees of $15,000 were forgiven by key management personnel and reversed in profit or loss. As at May 31, 2023, $10,000 (2022 - $2,600) is owing to related parties. These amounts are unsecured, non-interest bearing and payable upon demand.

During the year-ended May 31, 2023, the Company incurred rent payments of $nil (2022 - $3,000).

During the year-ended May 31, 2023, the Company incurred share-based payments of $nil (2022 - $186,600) of which $nil (2022 - $37,050) represents the fair value of the vested stock options granted to key management personnel.

9. FINANCIAL INSTRUMENTS

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 is 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.

The Company's assets include a loan (the "Loan") receivable from Boba as described in Notes 1 and 4. The Loan is secured against the assets of Boba under a General Security Agreement dated July 22, 2022.

Management believes the Company's exposure to credit risk is minimal.

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Management does not believe the Company is exposed to material currency or other price risk.

9. FINANCIAL INSTRUMENTS (continued):

b) Market risk (continued)

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 is comprised of funds held at a Canadian chartered bank as at May 31, 2023. The Company had no interest rate swaps or financial contracts in place as at or during the years-ended May 31, 2023 and 2022.

The Company has a loan receivable bearing a fixed interest rate of 5% per annum, as the loan is short-term in nature management believes the exposure to interest rate risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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, 2023, the Company had cash of $25,433 to settle trade and other payables and, amounts due to related parties totaling $70,950.

d) Other risks

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, the relations between NATO and the 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.

Fair value estimates are made at the consolidated statement of financial position date, based on relevant market information and other information about financial instruments. As at May 31, 2023 and 2022, the Company's financial instruments are cash, loan receivable, trade and other payables and, amounts due to related parties. The amounts reflected in the consolidated statement of financial position approximate their fair values due to the short-term nature of these financial instruments.

There has been no changes in the risks associated with financial instruments, and the management of these risks, during the year ended May 31, 2023, as compared with the year ended May 31, 2022.

10. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares, $1,536,398 at May 31, 2023 and 2022, 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. 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. CAPITAL MANAGEMENT (continued):

There were no changes in the Company's approach to capital management during the years-ended May 31, 2023 and 2022.

11. 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, 2023	2022
Income (loss) before income taxes	$ (111,081)	$ (1,273,571)
Canadian federal and provincial income tax rate	26.5%	26.5%
Income tax expense (recovery) based on Canadian federal and provincial income tax rates	(29,400)	(337,500)
Increase (decrease) in income taxes attributable to:		
Other	(6,500)	(6,500)
Non-deductible expenses	-	49,500
Tax benefits not recognized	35,900	294,500
Income tax (recovery)	$ -	$ -

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

	Year-ended May 31, 2023	2022
Share issuance costs	$ 12,100	$ 18,500
E&E asset	128,100	132,700
Non-capital loss carry forwards	180,400	144,500
	320,600	295,700
Less: tax benefits not recognized	(320,600)	(295,700)
	$ -	$ -

Non-capital tax losses of approximately $681,000 will expire between 2039 and 2043.

12. SEGMENTED REPORTING

The Company operates in a single reportable segment in Canada.

13. SUBSEQUENT EVENT

Subsequent to the year-ended May 31, 2023, 279,000 common shares of the Company were released from escrow. The final installment of escrowed common shares will be released on January 15, 2024.