EMPEROR METALS INC.

Financial Statements

For the year ended January 31, 2023

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Emperor Metals Inc.

Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company had an accumulated deficit of $1,578,385 as at January 31, 2023 and expected to incur further losses. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, 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 Management's Discussion and Analysis.

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

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

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

Responsibilities of Management and Those Charged with Governance for the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 David Goertz.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 31, 2023

EMPEROR METALS INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at	January 31, 2023	January 31, 2022
Assets		
Current		
Cash	**$ 2,824,556**	$ 1,065,957
Short-term investment (note 4)	**25,000**	-
Prepaids (Note 5)	**95,750**	35,250
Goods and services tax receivable	**48,143**	36,537
	2,993,449	1,137,744
Non-current		
Exploration and evaluation assets (Note 6)	**1,565,868**	595,577
Total assets	**$ 4,559,317**	$ 1,733,321
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 7)	**$ 123,394**	$ 65,987
Flow-through share premium liability (Note 9)	**495,582**	58,114
	618,976	124,101
Equity		
Share capital (Note 8)	**5,062,324**	2,271,720
Reserves	**456,402**	132,48
Deficit	**(1,578,385)**	(794,948)
	3,940,341	1,609,220
Total liabilities and equity	**$ 4,559,317**	$ 1,733,321

Nature of operations and going concern – Note 1

Approved by the Board of Directors

Director (signed by) *"John Florek"*

Director (signed by) *"Sean Mager"*

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

(Expressed in Canadian Dollars)

For the year ended		January 31 2023		January 31 2022
Expenses				
Advertising and promotion	**$**	**179,921**	$	77,531
Consulting fees		**82,500**		45,000
Listing		**-**		87,102
Management fees (Note 11)		**134,750**		118,500
Office and administrative		**98,142**		51,172
Professional fees		**105,420**		60,254
Project evaluation		**2,211**		50,784
Regulatory and filing fees		**25,249**		15,534
Share based compensation (Note 8)		**259,893**		-
		(888,086)		(505,877)
Other				
Interest income		**34,331**		8,156
Settlement of flow-through liability (Note 9)		**70,318**		104,386
Net comprehensive loss	**$**	**(783,437)**	$	(393,335)
Basic and diluted loss per common share	**$**	**(0.02)**	$	(0.01)
Basic and diluted weighted average number of common shares outstanding		**33,227,365**		30,656,000

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

EMPEROR METALS INC.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Option and Warrant reserve	Deficit	Total equity
Balance at January 31, 2021	**30,656,000**	**$ 2,271,720**	**$ 132,448**	**$ (401,613)**	**$ 2,002,555**
Net loss	-	-	-	(393,335)	(393,335)
Balance at January 31, 2022	**30,656,000**	**$ 2,271,720**	**$ 132,448**	**$ (794,948)**	**$ 1,609,220**
Shares issued for private placement	15,384,228	3,224,662	-	-	3,224,662
Shares issued for exploration and evaluation asset	1,500,000	270,000	-	-	270,000
Exercise of warrants	624,800	81,224	(18,744)	-	62,480
Share issuance cost	-	(194,691)	-	-	(194,691)
Share issuance cost – Non-cash	24,000	(82,805)	82,805	-	-
Share based compensation	-	-	259,893	-	259,893
Flow-through share premium liability	-	(507,786)	-	-	(507,786)
Net loss	-	-	-	(783,437)	(783,437)
Balance at January 31, 2023	**48,189,028**	**$ 5,062,324**	**$ 456,402**	**$ (1,578,385)**	**$ 3,940,341**

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

(Expressed in Canadian Dollars)

For the year ended	January 31, 2023	January 31, 2022
Cash provided by (used in):		
Operating activities		
Net loss for the year	**$ (783,437)**	$ (393,335)
Items not affecting cash:		
Settlement of flow-through liability	**(70,318)**	(104,386)
Share based compensation	**259,893**	-
	(593,862)	(497,721)
Changes in non-cash working capital:		
Goods and services tax receivable	**(11,606)**	(34,102)
Prepaid expenses	**(60,500)**	(3,000)
Accounts payable and accrued liabilities	**20,169**	(8,069)
Cash used in operating activities	**(645,799)**	(542,892)
Investing activities		
Exploration and evaluation property acquisition expenditures	**(519,460)**	-
Exploration and evaluation property exploration expenditures	**(143,593)**	(206,708)
Purchase of short-term investments	**(25,000)**	-
Cash used in investing activities	**(688,053)**	(206,708)
Financing activities		
Proceeds from private placement	**3,224,662**	-
Proceeds from warrant exercises	**62,480**	-
Share issuance costs	**(194,691)**	-
Cash used in financing activities	**3,092,451**	-
Net (decrease) increase in cash	**1,758,599**	(749,600)
Cash, beginning	**1,065,957**	1,815,557
Cash, ending	**$ 2,824,556**	$ 1,065,957

As at January 31, 2023, $37,236 (2022 – $1,493) of exploration and evaluation property expenditures are included in accounts payable and accrued liabilities.

As at January 31, 2023, 1,500,000 (2022 – Nil) common shares are issued for exploration and evaluation asset.

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

1. Nature of operations and going concern

Emperor Metals Inc. ("Emperor" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on September 22, 2020 as "Alchemy Resources Corp." The Company changed their name on October 7, T6H 4M9. The Company is focused on evaluating, acquiring, and exploring mineral properties in Canada. The Company is listed on the Canadian Securities Exchange (the "Exchange" or "CSE") under the symbol "AUOZ". On May 24, 2023, the Company reported the secondary listing of its common shares in Germany on the Frankfurt Stock Exchange ("FSE") under the trading symbol "9NH. The Company is also listed in the United States on the OTC Markets ("OTCPK") under the trading symbol "EMAUF".

The Company is engaged in the acquisition, exploration and development of mineral properties. At January 31, 2023, the Company had not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs 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 necessary financing to complete the development, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

These financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. At January 31, 2023, the Company had an accumulated deficit of $1,578,385 and expected to incur further losses, and required additional equity financing to continue developing its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which results in a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements. These adjustments could be material.

2. Basis of presentation and measurement

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

These financial statements were approved by the Board of Directors of the Company on May 31, 2023.

These financial statements are presented in Canadian Dollars, unless otherwise stated. The Canadian dollar is the functional and presentation currency of the Company.

These financial statements have been prepared on historical cost basis, except for financial instruments which are classified as fair value through profit or loss. In addition, the financial statements have been prepared using the same basis of accounting except for cash flow information.

3. Significant accounting policies

a) Use of judgement and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In particular, judgements, assumptions and estimation uncertainties at January 31, 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year include:

Exploration and evaluation costs

Exploration and evaluation costs have been capitalized on the basis that the Company will commence commercial production in the future, from which time the costs will be amortized in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalized which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalized. In addition, costs are only capitalized that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalized costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Impairment of exploration and evaluation assets

The Company evaluates each asset or cash generating unit every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is often judgmental, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use. The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, production budgets and forecasts, and life-of-mine estimates.

When required, the determination of fair value and value in use requires management to make estimates and assumptions about expected production, sales volumes, commodity prices, mineral reserves, operating costs, closure and rehabilitation costs and future capital expenditures. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in profit or loss.

Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Company uses observable market data, as much as possible. Fair values are classified into different levels in a hierarchy based on the inputs used in the valuation techniques, as follows:

- Level 1: quoted prices (without adjustments) in active markets for identical assets or liabilities.
- Level 2: inputs other than Level 1 quoted prices, 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 assets or liabilities, that are not based on observable market information (non-observable inputs).

The Company recognizes transfers between levels of the hierarchy of fair value at the end of the reporting period during which the change occurred.

As at January 31, 2023, the Company's financial instruments are comprised of cash, short-term investments and accounts payable and accrued liabilities. The carrying values of cash, short-term investments and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations. The Company's cash is classified as Level 1 of the fair value hierarchy.

When applicable, additional information on the assumptions used in the fair value calculations are disclosed in the specific notes of the corresponding asset or liability.

Going concern judgement

The assessment of the Company's ability to continue as a going concern and its ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

b) Financial instruments

(i) Recognition and initial measurement

The Company initially recognizes a financial asset or a financial liability on the date it becomes a party to the contractual provisions of the instrument. Except for accounts receivables that do not contain a significant financing component, a financial asset or financial liability is initially measured at fair value. If a financial asset or financial liability is not subsequently recognized at fair value through profit or loss, the initial measurement includes transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Accounts receivables that do not contain a significant financing component are initially recognized at their transaction price.

(ii) Classification and subsequent measurement – Non-derivative financial assets

On initial recognition, the Company classifies its financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are reclassified subsequently to their initial recognition when, and only when, the Company changes its business model for managing financial assets.

Financial assets measured at amortized cost

The Company classifies accounts receivable and goods and services tax receivable as financial assets measured at amortized cost. A financial asset is subsequently measured at amortized cost using the effective interest method, less impairment losses, if:

a. the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

Interest income, foreign exchange gains or losses, and impairment losses are recognized in profit or loss. Upon derecognition, all gains or losses are also recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if:

a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

The Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. This election is made for each separate investment.

These assets are subsequently measured at fair value. For debt instruments measured at fair value through other comprehensive income, interest calculated using the effective interest method, foreign exchange gains and losses, and impairment gains or losses are recognized in profit or loss. Other gains or losses are recognized in other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss as a reclassification adjustment.

For equity instruments measured at fair value through other comprehensive income, dividends are recognized in profit or loss, unless the dividend represents a recovery of part of the cost of the investment. Gains or losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Financial assets measured at fair value through profit or loss

The Company classifies cash as financial assets measured at fair value through profit or loss. All financial assets not classified as measured at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. The Company may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

These assets are subsequently measured at fair value, and gains or losses, including interest income or dividend income, are recognized in profit or loss.

(iii) Classification and subsequent measurement – Non-derivative financial liabilities

Financial liabilities are classified as financial liabilities measured at amortized cost or as financial liabilities measured at fair value.

Financial liabilities measured at amortized cost

The Company currently classifies accounts, trades and other payables and flow-through share premium liability as financial liabilities measured at amortized cost. A financial liability is subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognized in profit or loss. Upon derecognition, all gains or losses are also recognized in profit or loss.

Financial liabilities measured at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss if they are held for trading, are derivative financial liabilities or are designated as such on initial recognition. Financial liabilities at fair value through profit or loss are subsequently measured at fair value, and gains or losses, including interest expense, are recognized in profit or loss.

(iv) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Company transfers contractual rights to receive the cash flows of the financial asset in a transaction where substantially all the risks and rewards of ownership of the financial asset have been transferred or in a transaction where the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but does not retain control of the asset. Any rights and obligations created or retained in the transfer by the Company are recognized as separate assets or liabilities.

Financial Liability

The Company derecognizes a financial liability when the obligation specified in the contract is discharged or cancelled or expires.

The Company also derecognizes a financial liability when there is a substantial modification of the terms of an existing financial liability or a part of it. In this situation, a new financial liability under the new terms is recognized at fair value, and the difference between the carrying amount of the financial liability or a part of the financial liability extinguished and the new financial liability under the new terms is recognized in profit or loss.

(v) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost or fair value through other comprehensive income. The Company uses a matrix to determine the lifetime expected credit losses for trade receivables.

The Company uses historical patterns for the probability of default, the timing of collection and the amount of the incurred credit loss, which is adjusted based on management's judgment about whether current economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

The amount of the impairment loss on a financial asset measured at amortized cost is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss, and applied against trade and other receivables through a loss allowance account.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into known amount of cash and which are subject to insignificant risk of changes in value. Cash and cash equivalents have a term to maturity of three months or less from the date of acquisition. As at January 31, 2023 and 2022, the Company did not have any cash equivalents.

d) Exploration and evaluation properties

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Costs incurred once the Company has obtained the legal rights to explore an area are capitalized.
Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities; and
- sufficient data exist to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

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

e) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its exploration and evaluation assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the associated assets are reduced to their recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment charge is reversed through profit or loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of any applicable depreciation, if no impairment loss had been recognized.

f) Income taxes

Income tax expense or recovery comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.
Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset only if certain criteria are met.

g) Share capital

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

Flow-through shares

The Company issue flow-through common shares to finance its exploration program. 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 i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as recovery from issuance of flow-through shares. Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures.

h) Share-based payments

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

i) Loss per share

Basic loss per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per common share is calculated by adjusting the weighted average number of common shares outstanding for the effect of conversion of all potentially dilutive share equivalents, such as stock options, warrants and other convertible instruments. In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

(Expressed in Canadian Dollars)

j) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a lease liability and a right-of-use asset at the lease commencement date. The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

The Company has elected not to recognize right-of-use assets and lease liabilities for the short-term leases that have a lease term of 12 months or less. For its lease, the Company recognizes the lease payments as an expense to profit or loss on a straight-line basis over the term of the lease.

k) New Accounting Standards and Interpretations not yet effective

Accounting Standards that have recently been issued or amended but are not yet effective, have not been early adopted by the Company for the period ended January 31, 2023. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

4. Short-term investments

On January 19, 2023, the Company invested $25,000 in Guaranteed Investment Certificates (GICs) with an interest rate of 4.3% annual, maturing January 19, 2024.

5. Prepaid Expenses

A summary of the Company's prepaid expenses is as follows:

	January 31, 2023	January 31, 2022
Prepaids investor relations and marketing	**$ 83,000**	$ -
Prepaids insurance	**12,750**	9,000
Other prepaids	**-**	26,250
	$ 95,750	$ 35,250

(Expressed in Canadian Dollars)

6. Exploration and evaluation assets

A summary of the Company's exploration and evaluation assets is as follows:

Year ended January 31, 2023	**Hemlo North**	**Pine Grove**	**Pic River**	**Duquesne West**	**Total**
Acquisition costs					
Balance, January 31, 2022	$60,000	$224,414	$75,586	$ -	$360,000
Cash	-	-	-	519,459	519,459
Shares issued	-	-	-	270,000	270,000
Balance, January 31, 2023	60,000	224,414	75,586	789,459	1,149,459
Deferred exploration expenditures					
Balance, January 31, 2022	7,200	185,523	42,854	-	235,577
Geologist fees and assays	2,879	9,065	4,019	138,691	154,654
Other exploration expenses	-	-	772	25,406	26,178
Balance, January 31, 2023	10,079	194,588	47,645	164,097	416,409
Total E&E assets, January 31, 2023	**$70,079**	**$419,002**	**$123,231**	**$953,556**	**$1,565,868**

Year ended January 31, 2022	**Hemlo North**	**Pine Grove**	**Pic River**	**Duquesne West**	**Total**
Acquisition costs					
Balance, January 31, 2021	$60,000	$224,414	$75,586	$ -	$360,000
Balance, January 31, 2022	60,000	224,414	75,586	-	360,000
Deferred exploration expenditures					
Balance, January 31, 2021	-	27,376	-	-	27,376
Geologist fees and assays	5,985	117,572	27,594	-	151,151
Other exploration expenses	1,215	40,575	15,260	-	57,050
Balance, January 31, 2022	7,200	185,523	42,854	-	235,577
Total E&E assets, January 31, 2022	**$67,200**	**$409,937**	**$118,440**	**$ -**	**$595,577**

<u>Hemlo North Property</u>

On December 7, 2020, the Company acquired 100% interest in mining claims in the Hemlo North Property by issuing 600,000 common shares at $0.10 per share. The property is comprised of 12 mining claims, located in Ontario. Certain mining claims are subject to two separate 1% Net Smelter Royalties ("NSR").

<u>Pine Grove and Pic River Property</u>

On December 7, 2020, the Company acquired 100% interest in certain mining claims in the Pine Grove and Pic River Properties by issuing 3,000,000 common shares at $0.10 per share. The properties are comprised of 128 mining claims, located in Ontario. These mining claims are subject to a 2% NSR.

Duquesne West Gold Project

On October 20, 2022, the Company closed an option agreement (the "Option Agreement") with Globex Mining Enterprises Inc. (“Globex”) to acquire a 100% interest in the Duquesne West mineral claim package ("Duquesne West Property") from Globex's subsidiary, Duparquet Assets Ltd. ("Duparquet"), comprising of 38 claims located in the Duparquet Township of Quebec.

To exercise the Option Agreement with Duparque, the Company must make payments of cash and common shares of the Company with each installment of common shares being based upon the Company’s volume weighted average price (the “VWAP”) per share trading on the Exchange over a period of twenty (20) trading days prior to the date of payment as follows:

- within 3 days of Exchange acceptance on October 24, 2022, $50,000 cash was paid and 1,500,000 common shares issued at a fair value of $0.18 per common share;
- within 5 days of completed financing on December 23, 2022, $450,000 cash was paid;
- on first anniversary, $500,000 cash and 1,500,000 common shares if VWAP greater than $0.20, or the number of shares equaling $300,000 if VWAP less than $0.20;
- on second anniversary, $500,000 cash and 1,500,000 common shares if VWAP is greater than $0.20, or the number of shares equaling $300,000 if VWAP less than $0.20;
- on third anniversary, $1,000,000 cash and 3,000,000 common shares if VWAP greater than $0.20, or the number of shares equaling $600,000 if VWAP less than $0.20;
- on fourth anniversary, $2,500,000 cash and 3,500,000 common shares if VWAP greater than $0.20, or the number of shares equaling $700,000 if VWAP less than $0.20;
- on fifth anniversary, $5,000,000 cash and 4,000,000 common shares if VWAP greater than $0.20, or the number of shares equaling $800,000 if VWAP less than $0.20.

The first anniversary date is that date, December 21, 2023, that is 15 months following the date of CSE acceptance of the transaction, with each subsequent anniversary date following one year after the last.

Emperor must also incur minimum annual exploration expenditures on the Duquesne Property as follows:

- $250,000 by October 31, 2023;
- $1,000,000 by October 31, 2024;
- $1,250,000 by October 31, 2025;
- $1,750,000 by October 31, 2026;
- $3,250,000 by October 31, 2027;
- $4,500,000 by October 31, 2028.

Emperor must complete a current mineral resource estimate on the Property (the “Resource Estimate”) by December 21, 2027. If the Resource Estimate includes at least 1 Moz Au Eq (one million ounces of gold or gold-equivalent) in aggregate that are in the measured, indicated and/or inferred categories in accordance with CIM guidelines, Emperor will pay Duparquet an additional 2,500,000 common shares of the Company.

During the option period Emperor must maintain at minimum, all taxes, assessments, rentals, renewals levies and other payments required to be made to any Government Authority to keep the property in good standing. If Emperor chooses to terminate the option it must ensure that required payments are made to ensure the property is in good standing with Government Authority for two years.

(Expressed in Canadian Dollars)

7. Accounts payable and accrued liabilities

		January 31, 2023		January 31, 2022
Accounts payable	**$**	**91,009**	$	43,150
Accrued liabilities		**32,385**		22,837
	$	**123,394**	$	65,987

8. Share capital

a) Common shares

Authorized

Unlimited number of common shares without par value and an unlimited number of preferred shares. All the common shares have the same rights in respect of the distribution of dividends and the repayment of capital. Each share confers the right to one vote at the annual general meeting.

Issued Share Capital

As at January 31, 2023, 48,189,028 common shares were issued and outstanding (January 31, 2022 – 30,656,000).

Share issuance

On December 9, 2022, the Company completed the first tranche of its non-brokered private placement financing, consisting of 10,155,728 flow-through shares (the "FT Shares") at a price of $0.23 per FT Share for gross proceeds of $2,335,817. The Company recorded a flow-through share premium liability of $507,786 in connection with this financing. The Company paid finders fees of $138,907 and issued 603,943 finders' warrants, each exercisable to acquire one non-flow-through common share at $0.17 per share for a period of 24 months from the date of issue. The $60,335 fair value of the finders' warrants were determined using the Black Scholes Option Pricing Model. All securities issued are subject to a hold period of four-months and a day from the FT Shares Closing Date.

On December 21, 2022 ("the Unit Closing Date"), the Company completed the final tranche of its non-brokered private placement financing, consisting of 5,228,500 Units at a price of $0.17 per Unit for gross proceeds of up to $888,845, with each Unit consisting of one common share and one-half warrant (the "Units"). Each whole warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.30 for a period of 24 months. The Company paid finders fees of $55,784 in cash and issued 24,000 common shares of the Company and 226,110 finders' warrants exercisable to acquire one common share at $0.17 per share for a period of 24 months from the date of issue. The $22,470 fair value of the finders' warrants were determined using the Black Scholes Option Pricing Model. All securities issued are subject to a hold period of four-month and a day from the Unit Closing Date.

Escrowed common shares

4,850,000 common shares of the Company are subject to an escrow agreement. Under the agreement, 10% of the shares were released from escrow on the July 26, 2021 ("Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of January 31, 2023, 2,182,500 common shares remained in escrow.

(Expressed in Canadian Dollars)

b) Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options. The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the tenth anniversary of the date the option was granted.

A summary of stock option activity in the period is as follows:

	Number of options		Weighted average exercise price
Outstanding options, January 31, 2021 and 2022	**2,725,000**	**$**	**0.10**
Issued	2,200,000		0.17
Expired	(50,000)		0.10
Cancelled	(200,000)		0.10
Outstanding options, January 31, 2023	**4,675,000**	**$**	**0.13**

A summary of the options outstanding and exercisable at January 31, 2023 is as follows:

Date of expiry	Number of options		Weighted average exercise price	Remaining contractual life (years)	
December 30, 2025	2,675,000	$	0.10	2.9	
December 9, 2027	400,000		0.18	4.9	i
January 19, 2028	1,600,000		0.17	5.0	ii
	4,675,000	**$**	**0.13**	**3.8**	

On September 15, 2022, the Company granted stock options to acquire 200,000 common shares of the Company, which shall be exercisable as fully Vested 3 months from the Grant Date, in accordance with the terms of the Plan. The stock options are exercisable at $0.10 per common share and have an expiry date of September 15, 2027 or earlier in accordance with the terms of the Plan. The fair value of these options of $11,268 was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.10; expected life, 5 years; expected volatility, 64%; risk-free rate 3.43%; and expected dividends, 0%. The options were issued with an exercise price equal to the value of the Company's common shares on the date of issuance. Due to the resignation of Optionee within first three months of issuance, the options were cancelled.

i. On December 9, 2022, the Company granted stock options to acquire 400,000 common shares of the Company, which shall vest and be exercisable as to 200,000 shares being fully vested on December 16, 2022, and the balance of 200,000 shares on June 16, 2023, in accordance with the terms of the Plan. The stock options are exercisable at $0.18 per common share and have an expiry date of December 9, 2027 or earlier in accordance with the terms of the Plan. The fair value of these options of $62,322 was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.18; expected life, 5 years; expected volatility, 130%; risk-free rate 3.07%; and expected dividends, 0%. The options were issued with an exercise price equal to the value of the Company's common shares on the date of issuance. $39,900 was recognized as expense in 2023.

(Expressed in Canadian Dollars)

ii. On January 19, 2023, the Company granted stock options to acquire 1,600,000 common shares of the Company under the Plan, vesting immediately upon grant. The stock options are exercisable at $0.17 per common share and have an expiry date of January 19, 2028 or earlier in accordance with the terms of the Plan. The fair value of these options of $219,993 was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.16; expected life, 5 years; expected volatility, 130%; risk-free rate 2.82%; and expected dividends,

The grant date fair value of the options granted was estimated using the Black-Scholes option pricing model, using the following weighted average assumptions:

	January 31, 2023
Risk-free interest rate	2.82%-3.07%
Expected life (years)	5
Expected volatility	64%-130%
Expected rate of forfeiture	nil
Expected dividend yield	nil
Share price	$0.10-$0.18

Volatility is based on the historical trading activity of the Company's shares.

c) *Warrants*

A summary of share purchase warrant activity in the period is as follows:

	Number of Warrants		**Weighted average exercise price**
Outstanding warrants, January 31, 2021 and 2022	**781,600**	**$**	**0.10**
Issued	3,444,303		0.27
Exercised	(624,800)		0.10
Expired	(156,800)		0.10
Outstanding warrants, January 31, 2023	**3,444,303**	**$**	**0.27**

A summary of the warrants outstanding and exercisable at January 31, 2023 is as follows:

Date of expiry	**Number of warrants**		**Weighted average exercise price**	**Remaining contractual life (years)**	
December 21, 2024	2,614,250	$	0.30	1.9	
December 9, 2024	603,943		0.17	1.9	i
December 21, 2024	226,110		0.17	1.9	ii
	3,444,303	**$**	**0.27**	**1.9**	

i. On December 9, 2022, 603,943 warrants were issued to finders pursuant to the non-brokered private placement as compensation for services provided by the finders. The fair value of the finders' warrants of $60,335 was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price $0.18; expected life, 2 years; expected volatility, 101%; risk free rate, 3.85%; and expected dividends, 0%.

(Expressed in Canadian Dollars)

ii. On December 21, 2022, 226,110 warrants were issued to finders pursuant to the non-brokered private placement as compensation for services provided by the finders. The fair value of the finders' warrants of $22,470 was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price $0.18; expected life, 2 years; expected volatility, 100%; risk free rate, 3.72%; and expected dividends, 0%.

9. Flow-through premium liability

A summary of the Company's flow through premium liability is as follows:

Flow-through premium liability, January 31, 2021	**$ 162,500**
Additions	-
Settlement	(104,386)
Flow-through premium liability, January 31, 2022	**$ 58,114**
Additions	507,786
Settlement	(70,318)
Flow-through premium liability, January 31, 2023	**$ 495,582**

On December 31, 2020, the Company completed a flow-through placement and issued 1,625,000 shares for gross proceeds of $325,000 and recognized a flow-through share premium liability of $162,500. As at January 31, 2023, the Company has incurred all of eligible exploration expenditures relating to these flow-through shares. As a result, the amount of $58,114 (2021 - $104,386) in connection with the settlement of the flow-through liability was recognized in other income.

On December 9, 2022, the Company completed a flow-through placement and issued 10,155,728 shares for gross proceeds of $2,335,817 and recognized a flow-through share premium liability of $507,786. As at January 31, 2023, the Company has incurred approximately $56,142 of eligible exploration expenditures relating to these flow-through shares. As a result, the amount of $12,204 in connection with the settlement of the flow-through liability was recognized in other income.

10. Financial instruments and risk management

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The purpose of market risk management is to manage and control exposures to market risks, within acceptable parameters, while optimizing return. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian Dollars. The Company considers this risk to be minimal.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds no interest-bearing financial liabilities; therefore, interest rate risk is limited to potential decreases on the interest rate offered on cash held with its financial institution. The Company considers this risk to be minimal.

Commodity price risk

Commodity price risk is the risk that the value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks and financial institutions and accounts and other receivables. The Company considers credit risk with respect to its cash is minimal as cash is mainly held with financial institutions that are financially sound based on their credit rating.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(Expressed in Canadian Dollars)

To achieve this objective, the Company regularly monitors working capital positions and updates spending plans as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at January 31, 2023, all of the Company's financial liabilities are due within one year.

As at January 31, 2023, the Company had a working capital of $2,374,473 (January 31, 2022 - $1,013,643) and it does not have any monetary long-term liabilities. The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future.

Determination of fair value

The statements of financial position carrying amounts for cash, goods and services tax receivable, accounts payable and accrued liabilities, and flow-through share premium liability approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the objective of the Company. In the management of capital, the Company includes its components of shareholders' equity. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital and deficit.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and controlling the capital expenditures program.

The Company does not have a source of revenue. As such, the Company is dependent on external financing to fund its activities. In order to pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management policies on an ongoing basis. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year.

11. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company or its subsidiaries, directly or indirectly. Key management personnel include the Company's directors and executive officers. A summary of the Company's related party transactions with directors and officers, or with companies associated with these individuals as follows:

For the year ended	**January 31, 2023**	**January 31, 2022**
Management fees paid to key management and directors	**$ 134,750**	$ 118,500
Capitalized consulting fees paid to key management	**67,188**	-
Investor relations fees paid to a director	**5,000**	-
Rent paid to a corporation controlled by officers and directors	**40,200**	-
	$ 247,138	$ 118,500

(Expressed in Canadian Dollars)

During the year ended January 31, 2023, there were 900,000 options issued to key management and directors (2022 – nil) resulting in a non-cash share-based compensation expense of $123,747 (2022– $nil).

At January 31, 2023, accounts payable and accrued liabilities include $15,000 (2022 - $nil) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment. All amounts have been subsequently paid.

12. Income taxes

A reconciliation of income tax at statutory rate is as follows:

For the year ended	**January 31, 2023**	**January 31, 2022**
Loss before income taxes	**$ (783,437)**	$ (393,335)
Statutory income tax rate	**27%**	27%
Computed income tax recovery	**(212,000)**	(106,000)
Change in statutory tax rates and other	**63,000**	89,000
Permanent differences	**50,000**	-
Impact of flow through share	**32,000**	-
Share issuance costs	**(73,000)**	(36,000)
Change in unrecognized deferred assets	**140,000**	53,000
Income tax recovery	**$ -**	$ -

Significant components of the Company's deferred tax assets and liabilities are as follows:

	January 31, 2023	**January 31, 2022**
Deferred income tax assets		
Share issuance costs	**$ 97,000**	$ 28,000
Exploration and evaluation assets	**(88,000)**	(56,000)
Non-capital loss carry-forwards	**355,000**	195,000
	363,000	167,000
Valuation allowance	**(363,000)**	(167,000)
Deferred income tax assets	**$ -**	$ -

The Company has non-capital losses of approximately $1,310,000 which may be carried forward to reduce taxable income in future years. The non-capital losses expire in 2043 and resource exploration and development pools of approximately $1,230,000 which may be carried forward indefinitely.

In assessing whether the deferred tax assets are realizable, management considers whether it is probable that some portion or all of the deferred tax assets will be utilized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. As at January 31, 2023, the Company has not recognized any deferred tax assets (2022 - $nil).