

Gama Explorations Inc.

Condensed Interim Financial Statements

For the three and six months ended July 31, 2022 and 2021

(Expressed in Canadian dollars)

NOTE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management. The Company's independent auditor has not performed a review of these interim financial statements.

Gama Explorations Inc.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

As at	July 31, 2022 \$	January 31, 2021 \$
ASSETS		
Current assets		
Cash	1,351,418	456,377
GST receivable	18,291	-
Total current assets	1,369,709	456,377
Exploration and evaluation asset (Note 3)	261,404	170,595
TOTAL ASSETS	1,631,113	626,972
LIABILITIES		
Current liabilities		
Accounts payable	44,927	31,319
Accrued liabilities	7,249	20,188
Total liabilities	52,176	51,507
Equity		
Common shares (Note 4)	1,925,032	693,450
Reserves (Note 4)	33,056	-
Deficit	(379,151)	(117,985)
Total equity	1,578,937	575,465
TOTAL LIABILITIES AND EQUITY	1,631,113	626,972

Going concern (Note 1)
Subsequent event (Note 8)

APPROVED BY THE BOARD:

"Allan Larmour"

Director

"Jason Riley"

Director

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

Gama Explorations Inc.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian dollars)

	Three months ended July 31,		Six months ended July 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Operating expenses				
Advertising and marketing	18,674	-	20,125	5,250
Bank charges and interest	93	68	540	158
Consulting fees	65,000	-	125,000	
Exploration expenditures	2,250	-	2,250	
Listing fees	1,700	-	12,200	25,993
Office and administrative	2,263	-	5,482	190
Professional fees	30,527	1,893	93,925	24,393
Travel and entertainment	1,644	-	1,644	-
Net loss and comprehensive loss	(122,151)	(1,961)	(261,166)	(55,984)
Loss per share – basic and diluted	-	-	(0.01)	-
Weighted average number of common shares outstanding – basic and diluted	34,902,467	24,160,089	31,166,104	24,091,065

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

Gama Explorations Inc.
Condensed Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Number of shares	Common shares \$	Reserves \$	Deficit \$	Total \$
Balance January 31, 2021	24,022,800	539,750		(24,860)	514,890
Shares issued for property purchase (Notes 3 and 4)	1,300,000	100,000		-	100,000
Shares issued for cash (Note 4)	148,000	3,700		-	3,700
Net loss for the period	-	-		(55,984)	(55,984)
Balance July 31, 2021	25,470,800	643,450		(80,844)	562,606
Balance January 31, 2022	27,470,800	693,450	-	(117,985)	575,465
Shares issued for cash	5,145,000	1,231,582	33,056		1,264,638
Net loss for the period	-	-	-	(261,166)	(261,166)
Balance July 31, 2022	32,615,800	1,925,032	33,056	(379,151)	1,578,937

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

Gama Explorations Inc.
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	July 31, 2022	July 31, 2021
For the six months ended	\$	\$
OPERATING ACTIVITIES		
Net loss	(261,166)	(55,984)
Changes in non-cash working capital items:		
GST receivable	(18,291)	-
Accounts payable and accrued liabilities	669	23,394
Cash used in operating activities	(278,788)	(32,590)
INVESTING ACTIVITIES		
Exploration costs on exploration and evaluation asset	(90,809)	(58,820)
Cash used in investing activities	(90,809)	(58,820)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	1,264,638	3,700
Cash from financing activities	1,264,638	3,700
Net change in cash	895,041	(87,710)
Cash, beginning of year	456,377	521,996
Cash, end of year	1,351,418	434,286

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

Gama Explorations Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended July 31, 2022

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Gama Explorations Inc. (the “Company”) is a mining exploration company engaged in the identification, acquisition, evaluation and exploration of mineral properties located in British Columbia, Canada. The head office of the Company is located at 820 – 1130 West Pender Street, Vancouver, Canada V6E 4A4.

The Company is dependent on raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake further exploration to potentially identify mineral resources and resources requiring development of its mineral properties. Management believes that financing is available for early stage exploration and may be sourced in time to allow the Company to continue its current planned activities in the normal course.

These condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. On March 11, 2020, the outbreak of the novel strain of coronavirus specifically identified as “COVID-19” was declared a pandemic by the World Health Organization. The outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of the virus which in turn have caused material disruption to business globally. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. Conditions surrounding COVID-19 continue to rapidly evolve and the efficacy of the government and central bank interventions is unknown at this time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

The Company had cash of \$1,351,418 at July 31, 2022, but management cannot provide any assurance that the Company will ultimately achieve profitable operations, become cash flow positive or raise additional equity and/or debt capital. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company is dependent on raising capital through share issuances.

2. BASIS OF PREPARATION

Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s audited financial statements for the year ended January 31, 2022.

Gama Explorations Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended July 31, 2022

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (CONT'D)

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended January 31, 2022. In addition, other than noted below, the accounting policies applied in these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended January 31, 2022.

The Company's interim results are not necessarily indicative of its results for a full year.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on September 29, 2022.

Basis of Presentation

These condensed interim financial statements have been prepared on a historical cost basis and presented in Canadian dollars which is the functional currency of the Company. The financial statements of the Company have been prepared on an accrual basis, except for cash flow information. The condensed interim financial statements have been prepared on a historical cost basis except for warrants and options, which are measured at fair value.

3. EXPLORATION AND EVALUATION ASSET

	Golden Wonder Project	Big Onion Project	Total
	\$	\$	\$
Balance at January 31, 2021	-	-	-
Property payments – cash	50,000	-	50,000
Property payments – shares	100,000	-	100,000
Assignment of consideration	(150,000)	150,000	-
Exploration costs	-	20,595	20,595
Balance at January 31, 2022	-	170,595	170,595
Exploration costs	-	90,809	90,809
Balance at July 31, 2022	-	261,404	261,404

Gama Explorations Inc.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSET (CONT'D)

Golden Wonder Project

On February 2, 2021, the Company entered into a property purchase agreement with Blue Lagoon Resources Inc., a related company as a result of common directorship, to acquire a 100% interest in five mineral claims located in Northern British Columbia that comprise the Golden Wonder Project. Consideration for the purchase was as follows:

- \$50,000 cash payment (paid February 17, 2021)
- Issuance of 1,000,000 common shares (issued pre-split)

The agreement is subject to a net smelter royalty ("NSR") of 0.5%.

On November 12, 2021, this agreement was terminated and the consideration paid was assigned to the option agreement for the Big Onion Project.

Big Onion Project

On December 6, 2021, the Company entered into a property option agreement with Lloyd Minerals Inc. (the "Vendor"), a subsidiary of Blue Lagoon Resources Inc, to acquire a 100% ownership and beneficial interest in thirteen mineral claims located in British Columbia that comprise the Big Onion property (the "Option"), subject to a 3% NSR (the "Property"). The royalties may be reduced by 0.25% increments in exchange for payment of \$250,000 per increment.

In order to exercise the Option, the Company is required to make cash and share payments to the Vendor, and incur property expenditures as follows:

On or prior to the execution of the agreement

- Make a cash payment of \$50,000 (assigned from Golden Wonder)
- Issue 1,000,000 shares (assigned from Golden Wonder) (issued pre-split and resulting in 1,300,000 post-split as per agreement with Blue Lagoon Resources Inc.)

On or prior to the date that is twelve months following the date in which the Company is listed on a Canadian stock exchange (the "Listing Date")

- Make a cash payment of \$50,000
- Incur \$250,000 of expenditures on the Property

On or prior to the date that is twenty-four months following the Listing Date

- Make a cash payment of \$50,000
- Issue 250,000 shares
- Incur \$250,000 of expenditures on the Property

On or prior to the date that is thirty-six months following the Listing Date

- Make a cash payment of \$100,000
- Issue 250,000 shares
- Incur \$250,000 of expenditures on the Property

On or prior to the date that is forty-eight months following the Listing Date

- Make a cash payment of \$250,000
- Issue 500,000 shares
- Incur \$750,000 of expenditures on the Property

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4. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Six months ended July 31, 2022

On April 27, 2022, the Company completed a forward split of its shares on the basis of 4 new shares for each one share outstanding (the "Forward Split"), with the exception of 900,000 of the pre-Forward Split common shares issued to Blue Lagoon for the acquisition of the Big Onion Project (Note 3). Prior to the Forward Split, the Company had 7,542,700 common shares issued and outstanding. Immediately following the Forward Split, the Company had 27,470,800 common shares issued and outstanding. Except where otherwise indicated, all historical share numbers and per share amounts have been adjusted on a retroactive basis to reflect the Forward Split.

On June 10, 2022, the Company closed a private placement offering of 5,145,000 common shares at a price of \$0.25 per share for gross proceeds of \$1,286,250. In connection with the private placement, the Company paid cash finders fees of \$21,612 and issued 86,450 finder warrants. Each finder's warrant may be exercised at a price of \$0.30 per share until June 10, 2024. The fair value of the broker warrants was \$33,056 and was determined using the Black Scholes option pricing model using the following assumptions: estimated volatility of 133%, risk-free interest rate of 0.44%, expected life of 2 years, exercise price of \$0.25, a dividend yield of 0%, and a share price of \$0.50.

Six months ended July 31, 2021

On February 7, 2021, the Company issued 1,300,000 common shares pursuant to the property purchase agreement with Blue Lagoon Resources Inc. for the Golden Wonder Project (Note 4). 1,000,000 pre-split shares were issued, which resulted in 1,300,000 post-split common shares pursuant to an agreement between the Company and Blue Lagoon Resources Inc. The fair value of the shares was \$100,000.

On February 22, 2021, the Company issued 148,000 common shares at \$0.03 per share for cash proceeds of \$3,700.

5. CAPITAL MANAGEMENT

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

As at July 31, 2022, the Company's capital structure consists of the equity of the Company. The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

As at July 31, 2022, the Company's available capital resources, consists of cash of \$1,351,418 to settle total current liabilities of \$52,176.

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Notes to the Condensed Interim Financial Statements

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6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial assets consist of cash in bank and its financial liabilities consist of accounts payable and accrued liabilities. The Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted due to their short-term nature.

Financial instrument classification

Financial assets included in the statement of financial position are as follows:

	Level in fair value hierarchy	July 31, 2022 \$	January 31, 2022 \$
FVTPL:			
Cash	Level 1	1,351,418	456,377
Amortized cost:			
GST receivable		18,291	-
		1,369,709	456,377

Financial liabilities included in the statement of financial position are as follows:

	Level in fair value hierarchy	July 31, 2022 \$	January 31, 2022 \$
Amortized cost:			
Accounts payable		44,927	31,319
Accrued liabilities		7,249	20,188
		52,176	51,507

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. directly from prices); and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

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6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it has sufficient working capital to meet liabilities when due. As at July 31, 2022, the Company has cash of \$1,351,418 to settle current liabilities of \$52,176. All of the Company's financial liabilities have contractual maturities of 30 days and are subject to normal trade terms.

7. RELATED PARTY TRANSACTIONS

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

During the year-ended January 31, 2022, 1,300,000 common shares were issued (1,000,000 pre-split shares were issued, 900,000 of which were not subject to the Forward Split) and a \$50,000 cash payment was made to Blue Lagoon Resources Inc. in relation to the property purchase agreement (Note 3). Blue Lagoon Resources Inc. is a related company as a result of common directorship.

8. SUBSEQUENT EVENTS

On September 16, 2022, the Company granted 3,100,000 options to directors, officers and consultants of the Company. The options are exercisable at a price of \$0.30 per share for a period of 5 years and are subject to vesting in four equal installments over two years.

On September 16, 2022, the Company entered into a definitive agreement with Tyee Nickel Corp. ("Tyee") and the shareholders of Tyee to acquire all of the issued and outstanding shares of Tyee in exchange for 9,000,000 common shares of the Company. Tyee is a British Columbia incorporated company and the owner of the Tyee Nickel-Copper Project, which is located 130 km north of Havre St. Pierre, Quebec and approximately 12 km north of the Romaine IV Hydroelectric Dam. The claims comprise of a single claim block of 81.46 square kilometers prospective for nickel, copper and platinum group elements. The transaction closed on September 20, 2022. In connection with the transaction, the Company also issued a finder's fee of 400,000 common shares to an arm's length party.