

Gama Explorations Inc.

Condensed Consolidated Interim Financial Statements
For the three and six months ended July 31, 2023 and 2022
(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 consolidated 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 Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

As at	July 31, 2023 \$	January 31, 2023 \$
ASSETS		
Current assets		
Cash and cash equivalents (Note 6)	4,418,199	1,749,133
Receivables (Note 7)	133,649	37,772
Prepaid expenses	463,208	337,879
Total current assets	5,015,056	2,124,784
Exploration and evaluation assets (Note 5)	5,239,921	4,281,486
TOTAL ASSETS	10,254,977	6,406,270
LIABILITIES		
Current liabilities		
Accounts payable (Note 12)	25,717	18,903
Accrued liabilities (Notes 9 and 12)	61,788	49,023
Total current liabilities	87,505	67,926
Non-current liabilities		
Flow-through premium (Note 8)	270,553	-
Total liabilities	358,058	67,926
Equity		
Common shares (Notes 9 and 12)	12,655,304	6,660,698
Obligation to issue shares (Note 9)	-	523,407
Reserves (Note 9)	1,244,992	489,379
Deficit	(4,003,377)	(1,335,140)
Total equity	9,896,919	6,338,344
TOTAL LIABILITIES AND EQUITY	10,254,977	6,406,270

Going concern (Note 1)
Subsequent event (Note 13)

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 Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian dollars)

	For the three months		For the six months ended	
	ended July 31,		July 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Operating expenses				
Advertising and marketing	202,839	18,674	420,171	20,125
Bank charges and interest	1,181	93	3,171	540
Consulting fees (Note 12)	300,261	65,000	1,440,967	125,000
Exploration expenditures	-	2,250	-	2,250
Investor relations	112,597	-	172,293	-
Listing fees	12,099	1,700	24,198	12,200
Office and administrative	19,738	2,263	62,199	5,482
Professional fees	38,603	30,527	51,264	93,925
Stock-based compensation (Notes 9 and 12)	294,342	-	528,792	-
Travel and entertainment	4,149	1,644	25,472	1,644
Total operating expenses	985,809	122,151	2,728,527	261,166
Other expenses				
Foreign exchange loss	-	-	182	-
Flow through recovery income (Note 8)	(34,289)	-	(34,289)	-
Interest income (Note 7)	(22,960)	-	(26,183)	-
Net loss and comprehensive loss	(928,560)	(122,151)	(2,668,237)	(261,166)
Loss per share – basic and diluted	(0.02)	(0.00)	(0.05)	(0.01)
Weighted average number of common shares outstanding – basic and diluted	59,364,099	34,902,467	58,136,396	31,166,104

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

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

	Number of shares	Common shares \$	Reserves \$	Obligation to issue shares \$	Deficit \$	Total \$
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
Balance January 31, 2023	45,619,166	6,660,698	489,379	523,407	(1,335,140)	6,338,344
Non-flow through shares issued in private placement (Note 9)	12,010,214	4,896,305	255,381	(523,407)	-	4,628,279
Shares issued pursuant to flow-through financing (Note 9)	1,437,747	1,191,165	29,083	-	-	1,220,248
Flow-through premium (Note 8)	-	(304,842)	-	-	-	(304,842)
Shares issued for Saint-Pierre Anorthosite Complex purchase (Notes 5 and 9)	60,000	55,200	-	-	-	55,200
Warrants exercised (Note 9)	30,450	20,778	(11,643)	-	-	9,135
Shares issued in exchange for services (Note 9)	150,000	90,000	-	-	-	90,000
Issuance of shares upon exercise of restricted share units (Note 9)	200,000	46,000	(46,000)	-	-	-
Share based compensation (Notes 9 and 12)	-	-	528,792	-	-	528,792
Net loss for the period	-	-	-	-	(2,668,237)	(2,668,237)
Balance July 31, 2023	59,507,577	12,655,304	1,244,992	-	(4,003,377)	9,896,919

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

Gama Explorations Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian dollars)

For the six months ended	July 31, 2023	July 31, 2022
	\$	\$
OPERATING ACTIVITIES		
Net loss	(2,668,237)	(261,166)
Items not affecting cash:		
Stock-based compensation	528,792	-
Accrued interest income	(17,624)	-
Non-cash consulting fees	90,000	-
Flow through premium recovery	(34,289)	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	7,405	669
Prepaid expenses	(125,329)	-
Receivables	(78,253)	(18,291)
Cash used in operating activities	(2,297,535)	(278,788)
INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets	(400,000)	-
Exploration costs on exploration and evaluation assets	(491,116)	(90,809)
Cash used in investing activities	(891,116)	(90,809)
FINANCING ACTIVITIES		
Proceeds from private placement financings	6,181,189	1,264,638
Share issuance costs	(332,607)	-
Proceeds from warrant exercise	9,135	-
Cash from financing activities	5,857,717	1,264,638
Net change in cash	2,669,066	895,041
Cash and cash equivalents, beginning of year	1,749,133	456,377
Cash and cash equivalents, end of period (Note 6)	4,418,199	1,351,418
Supplemental Cashflow Disclosures		
	July 31, 2023	July 31, 2022
	\$	\$
Shares issued for acquisition of Saint-Pierre Anorthosite (Notes 5 and 9)	55,200	-
Exploration and evaluation costs in accrued liabilities (Note 5)	12,119	-
Amounts reclassified from reserves to share capital upon the exercise of warrants (Note 9)	11,643	-
Share issuance costs in accrued liabilities (Note 9)	55	-
Interest earned on term deposit reinvested	8,559	-
Warrants issued for finders' fees (Note 9)	284,464	-

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

Gama Explorations Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended July 31, 2023

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Gama Explorations Inc. (the “Company”) is a mineral exploration company engaged in the identification, acquisition, evaluation, and exploration of mineral properties located in British Columbia, Quebec and Northwest Territories in Canada. The head office of the Company is located at 2133 – 1177 West Hastings Street, Vancouver, V6E 2K3. The Company commenced trading on the Canadian Securities Exchange (“CSE”) on April 7, 2022 under the trading symbol “GAMA”.

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 consolidated interim 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.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. For the six months ended July 31, 2023 the Company incurred a net loss of \$2,668,237 (July 31, 2022 - \$261,166) and used \$2.3 million of cash in operating activities (July 31, 2023 - \$0.3 million). The Company will need to raise additional financing to continue operations. In addition, management understands that the current economic conditions are impacted by the global outbreak of COVID-19.

The Company had cash and cash equivalents of \$4,418,199 at July 31, 2023, 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 condensed consolidated interim 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.

Gama Explorations Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended July 31, 2023

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated 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 condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended January 31, 2023.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on September 29, 2023.

Basis of measurement and consolidation

These condensed consolidated interim financial statements have been prepared on an accrual basis and are based on historical cost, except for certain financial instruments measured at fair value, as set out in the accounting policies disclosed in the Company’s audited consolidated financial statements for the year ended January 31, 2023. The condensed consolidated interim financial statements are presented in Canadian dollars which is the functional currency of the Company.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the Company’s audited financial statements for the year ended January 31, 2023.

These condensed consolidated interim financial statements incorporate the accounts of the Company and its controlled subsidiary, Tyee Nickel Corp (formerly Miata III Capital Corp), from the date of acquisition. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Tyee Nickel Corp. was incorporated under the Business Corporations Act of British Columbia on March 1, 2022. The Company acquired Tyee Nickel Corp. on September 19, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the year ended January 31, 2023, and have been consistently followed in the preparation of these condensed interim consolidated financial statements except for those summarized below.

Cash and cash equivalents

Cash and cash equivalents consist of all cash balances and highly liquid investments that are readily convertible to known amounts of cash and have a maturity of twelve months or less.

Gama Explorations Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended July 31, 2023

(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants (“Warrants”). Depending on the terms and conditions of each financing agreement, the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the related agreement. Warrants that are part of units are assigned a residual value if the unit is issued at a price exceeding the market price of underlying share at the time of issuance otherwise the warrants are assigned no value and included in share capital with the common shares that are concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payment transaction costs.

4. ACQUISITION OF TYEE NICKEL CORP.

On September 19, 2022 (the “Closing Date”), the Company and Tyee Nickel Corp. entered into an acquisition agreement (the “Acquisition Agreement”), whereby the Company would acquire all of the outstanding common shares of Tyee Nickel Corp (the “Acquisition”). Pursuant to the Acquisition Agreement:

- The Company issued 9,000,000 common shares valued at \$0.385 per share for total value of \$3,465,000 in exchange for all of the issued and outstanding shares of Tyee immediately prior to the Closing Date. The shares issued as consideration were valued using the closing price per common share of the Company on the Closing Date (Note 5).
- The Company issued 400,000 common shares as finder’s fees in connection with the introduction of the parties and subsequent execution of the Acquisition Agreement. The common shares were valued at \$154,000 or \$0.385 per common share which was the closing price per common share of the Company on the Closing Date.

The Acquisition was determined to be an asset acquisition per IFRS 3 as no substantive processes were transferred to the Company. In connection with the Acquisition, the Company incurred additional transaction costs of \$8,163 composed of legal fees.

Consideration paid:	
Value of equity instruments (9,000,000 shares at \$0.385 per share)	\$ 3,465,000
Finder’s fee shares issued (400,000 shares at \$0.385 per share)	154,000
Transaction costs – legal fees	8,163
	<hr/>
	\$ 3,627,163
Net identifiable assets acquired:	
Cash and cash equivalents	\$ 127,390
Exploration and evaluation asset	3,533,030
Accounts payable and accrued liabilities	(33,257)
	<hr/>
	\$ 3,627,163

Gama Explorations Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended July 31, 2023

(Unaudited - Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Big Onion Property	Tyee Nickel-Copper Project	Muskox Lithium Property	Total
	\$	\$	\$	\$
Balance at January 31, 2022	170,595	0	-	170,595
Acquisition costs – cash	-	12,500	150,000	162,500
Acquisition costs – shares	-	19,500	160,000	179,500
Acquisition of Tyee Nickel Corp. (Note 4)	-	3,533,030	-	3,533,030
Exploration costs	155,537	75,463	4,861	235,861
Balance at January 31, 2023	326,132	3,640,493	314,861	4,281,486
Acquisition costs – cash	50,000	100,000	250,000	400,000
Acquisition costs – shares	-	55,200	-	55,200
Exploration costs	136,004	250,614	116,617	503,235
Balance at July 31, 2023	512,136	4,046,307	681,478	5,239,921

Big Onion Property

On December 6, 2021, the Company entered into a property option agreement with Lloyd Minerals Inc, 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, subject to a 3% net smelter return (“NSR”). The royalty may be reduced by 0.25% increments in exchange for payment of \$250,000 per increment.

In order to complete the acquisition of the Big Onion Property, the Company is required to make cash and share payments to Lloyd Minerals Inc, and incur property expenditures on the Big Onion Property as follows:

On or prior to the execution of the agreement

- Make a cash payment of \$50,000 (paid)
- Issue 1,000,000 shares (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 April 11, 2022, the date in which the Company is listed on a Canadian stock exchange (the “Listing Date”)

- Make a cash payment of \$50,000 (paid May 25, 2023)
- Incur \$250,000 of expenditures on the Big Onion Property (fulfilled)

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 Big Onion Property

Gama Explorations Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended July 31, 2023

(Unaudited - Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Big Onion Property (continued)

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 Big Onion 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 Big Onion Property

Tyee Nickel-Copper Project

On September 19, 2022, the Company closed the acquisition agreement with Tyee Nickel Corp. (Note 4) for total consideration of \$3,627,163 and became the beneficial owner of Gatineau Ni-Cu Property located 130 km north of Havre St. Pierre, Quebec, and 12 km north of the Romaine IV Hydroelectric Dam.

On December 16, 2022, the Company closed an asset acquisition agreement with 1380749 BC Ltd. and became the beneficial owner of Odin East Mineral Claims. The additional mineral claims acquired span 32.15 km² contiguous to the original Gatineau Ni-Cu Project in south-eastern Quebec. Consideration paid for the acquisition of the property included \$12,500 cash on the execution date of the acquisition agreement and 50,000 common shares at a deemed price of \$0.39, for a total consideration of \$19,500.

On February 13, 2023, the Company entered into an agreement with 1380749 BC Ltd. to acquire an additional 78 Odin East Mineral Claims, increasing the footprint of the project by 41.8 km². Upon execution of the agreement, the Company paid cash consideration of \$50,000, plus applicable sales tax, and then issued 60,000 common shares of the Company at a price of \$0.92 per share for a total value of \$55,200 to 1380749 BC Ltd.

On March 15, 2023, the Company entered into an agreement with 1290480 BC Ltd. to acquire an additional 147 mineral claims, increasing the footprint of the project by 78.8 km². Upon execution of the agreement, the Company paid cash consideration of \$50,000.

Muskox Lithium Property

On January 19, 2023, the Company entered into an agreement with RGV Lithium Explorations Inc. for the option to purchase 100% undivided interest in the Muskox Lithium Property located in Northwest Territories, approximately 40 km east of Yellowknife and spans an area of 50 km². The Muskox Lithium Property is subject to a 2.5% NSR which may be reduced to 1.5% for cash consideration of \$2,000,000.

Gama Explorations Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended July 31, 2023

(Unaudited - Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Muskox Lithium Property (cont'd)

In order to complete the acquisition of the Muskox Lithium Property, the Company is required to make cash and share payments to RGV Lithium Explorations Inc , and incur property expenditures on the Muskox Lithium Property as follows:

On or prior to the execution of the agreement

- Make a cash payment of \$150,000 (paid January 13, 2023)

On or prior to the date that is six months following January 13, 2023, the signing date of the agreement (the "Signing Date")

- Make a cash payment of \$250,000 (paid February 8, 2023)

On or prior to the date that is twelve months from the Signing Date

- Issue 100,000 shares
- Incur \$250,000 of expenditures on the Muskox Lithium Property

On or prior to the date that is twenty-four months from the Signing Date

- Issue 200,000 shares
- Incur \$350,000 of expenditures on the Muskox Lithium Property

On or prior to the date that is thirty-six months from the Signing Date

- Issue 300,000 shares
- Incur \$400,000 of expenditures on the Muskox Lithium Property

On or prior to the date that is forty-eight months from the Signing Date

- Issue 400,000 shares
- Incur \$500,000 of expenditures on the Muskox Lithium Property

In addition, the Company issued 200,000 shares with a fair value of \$0.80 per share for a total value of \$160,000 as a finders' fee in connection with the closing of the purchase agreement for the Muskox Lithium Property.

6. CASH AND CASH EQUIVALENTS

	July 31, 2023	January 31, 2023
Cash held in bank	\$ 2,409,640	\$ 1,749,133
Term deposits	2,008,559	-
	\$ 4,418,199	\$ 1,749,133

As at July 31, 2023, the term deposits consist of two guaranteed investment certificates ("GICs") of \$1,008,559 and \$1,000,000. The GICs bear interest at 4.85% and 4.65% and mature on June 2, 2028 and April 18, 2024, respectively. As at July 31, 2023, the Company had aggregate accrued interest receivable from the GICs of \$17,624 (Note 7).

Gama Explorations Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended July 31, 2023

(Unaudited - Expressed in Canadian dollars)

7. RECEIVABLES

Receivables are composed of the following amount:

	July 31, 2023	January 31, 2023
GST receivable	\$ 116,025	\$ 37,772
Interest receivable (Note 6)	17,624	-
	\$ 133,649	\$ 37,772

8. FLOW-THROUGH PREMIUM LIABILITY

On April 20, 2023, the Company closed a private placement and issued 568,182 flow-through shares at a price of \$0.88 per share and 543,478 Quebec flow-through shares at a price of 0.92 for aggregate gross proceeds of \$1,000,000 (Note 9). Upon closing of the private placement, the Company recognized flow-through premium liabilities in the statement of financial position of \$73,864 and \$92,391 which reflect the value of income tax benefits the Company will pass on to the flow-through shareholders and Quebec flow-through shareholders, respectively. During the six months ended July 31, 2023, the Company incurred qualifying exploration expenditures resulting in the recognition of flow-through premium recovery in the statement of loss and comprehensive loss of \$34,289. As at July 31, 2023, the balance of flow-through premium liability of \$131,966.

On April 28, 2023, the Company closed the second tranche of the private placement and issued 326,087 Quebec flow-through shares at a price of \$0.92 for gross proceeds of \$300,000 (Note 9). Upon closing of the private placement, the Company recognized a flow-through premium in the statement of financial position of \$138,587, which reflects the value of income tax benefits the Company will pass on to the Quebec flow-through shareholders. During the six months ended July 31, 2023, the Company incurred no qualifying exploration expenditures, as a result no flow-through premium recovery was recognized during the period.

Balance, January 31, 2023	\$ -
Issuance of flow-through shares	304,842
Flow through recovery income	(34,289)
Balance, July 31, 2023	\$ 270,553

Gama Explorations Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended July 31, 2023

(Unaudited - Expressed in Canadian dollars)

9. SHARE CAPITAL AND RESERVES

Authorized share capital

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

Common Shares

For the six months ended July 31, 2023

On February 7, 2023, the Company closed the second tranche of a private placement financing issuing 12,010,214 units at a price of \$0.45 for gross proceeds of \$5,404,596 of which \$523,407 had been received prior to January 31, 2023. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.80 for a period of 36 months. In connection with the private placement, the Company paid a cash finder's fee of \$226,959 and issued 491,442 finder's warrants with a fair value of \$255,381, estimated using the Black Scholes pricing model and the following assumptions: estimated volatility of 101%, risk-free interest rate of 3.65%, expected life of 3 years, exercise price of \$0.80, a dividend yield of 0%, and a share price of \$0.81. Each finder's warrant is exercisable into one common share at an exercise price of \$0.80 per common share for a period of 36 months from the closing date. The Company incurred additional cash share issuance costs of \$25,951.

On March 1, 2023, the Company issued 60,000 common shares of the Company at a price of \$0.92 per share for a total value of \$55,200 to 1380749 BC Ltd. The shares were part of the acquisition agreement to further expand the foot print of the Tyee Nickel Copper Project (Note 5).

On April 11, 2023, the Company issued 30,450 common shares upon the exercise of warrants for proceeds of \$9,135. The fair value of \$11,643 was reclassified from reserves to share capital upon the exercise of the warrants.

On April 20, 2023, the Company closed a non-brokered private placement financing issuing 568,182 flow-through shares and 543,478 Quebec flow-through shares at a price of \$0.88 and \$0.92 per flow-through share, respectively. The total aggregate gross proceeds amounted to \$1,000,000 of which \$166,255 were recognized as flow-through premium liability (Note 8). In connection with the non-brokered private placement, the Company paid cash finder's fees of \$60,000 and issued 66,699 finder's warrants with a fair value of \$25,077, estimated using the Black Scholes pricing model and the following assumptions: estimated volatility of 100%, risk-free interest rate of 3.79%, expected life of 2 years, exercise price of \$0.88, a dividend yield of 0%, and a share price of \$0.75. The finder's warrants are exercisable into one common share of the Company at a price of \$0.88 for a period of 24 months.

Gama Explorations Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended July 31, 2023

(Unaudited - Expressed in Canadian dollars)

9. SHARE CAPITAL AND RESERVES (CONT'D)

For the six months ended July 31, 2023 (cont'd)

On April 28, 2023, the Company closed an additional non-brokered private placement financing issuing 326,087 Quebec flow-through shares at a price of \$0.92 per share for aggregate gross proceeds of \$300,000 of which \$138,587 were recognized as flow-through premium liability (Note 8). In connection with the non-brokered private placement, the Company paid cash finder's fees of \$18,000 and issued 19,565 finder's warrants to an arm's length finder with a fair value of \$4,006, estimated using the Black Scholes pricing model and the following assumptions: estimated volatility of 103%, risk-free interest rate of 3.65%, expected life of 2 years, exercise price of \$0.88, a dividend yield of 0%, and a share price of \$0.495. Each finder's warrant is exercisable into one common shares of the Company at a price of \$0.88 for a period of 24 months. The Company incurred additional cash share issuance costs of \$1,752 of which \$55 are recorded in accrued liabilities as of July 31, 2023.

On April 28, 2023, the Company entered into a consulting agreement for capital markets advisory services. Upon execution of the agreement, the Company issued 150,000 common shares to the consulting firm as consideration for a value of \$90,000.

On July 5, 2023, the Company issued 200,000 common shares upon vesting of 200,000 restricted share units. Upon issuance, the fair value of \$46,000 was reclassified from reserves to share capital.

For the 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 Property (Note 5). 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.

Gama Explorations Inc.

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(Unaudited - Expressed in Canadian dollars)

9. SHARE CAPITAL AND RESERVES (CONT'D)

STOCK OPTIONS

Stock option plan

On March 10, 2021, the Company adopted a Stock Option Plan (the "Plan"). The Plan provides that, subject to the requirements of the CSE, the aggregate number of securities reserved for issuance, set aside, and made available for issuance under the Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options (including all options granted by the Company to date). The number of Common Shares which may be reserved in any 12-month period for issuance to any one individual upon exercise of all stock options held by that individual may not exceed 5% of the issued and outstanding Common Shares of the Company at the time of the grant.

Stock option activity

Stock option activities are summarized in the table below.

	Number of Stock Options Outstanding	Number of Stock Options Exercisable	Weighted Average Exercise Price
Balance, January 31, 2023	-	-	-
Granted	3,200,000	-	0.31
Cancelled	(500,000)	-	(0.30)
Balance, July 31, 2023	2,700,000	-	0.31

Details of stock options outstanding and exercisable as at July 31, 2023 are as follows:

Expiry date	Number of Stock Options Outstanding	Number of Stock Options Vested	Exercise price
September 19, 2027	2,600,000	-	0.30
January 9, 2026	100,000	-	0.52
Total	2,700,000	-	0.31

As of July 31, 2023, the weighted average remaining life for the outstanding options was 4.08 years.

On September 19, 2022, the Company issued 3,100,000 incentive stock options to consultants, officers and directors of the Company. Each option is exercisable into one common share at \$0.30 per share for 5 years. The options vest over the first two years with 25% vesting every six months. During the six months ended July 31, 2023, the Company cancelled 500,000 incentive stock options to a former director of the Company, in accordance with a termination agreement effective July 31, 2023.

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9. SHARE CAPITAL AND RESERVES (CONT'D)

STOCK OPTIONS (CONT'D)

During the six months ended July 31, 2023, the Company recognized stock-based compensation expense of \$460,737 for the vesting of these stock options. The fair value of the incentive stock options was determined using the Black Scholes option pricing model using the following assumptions: estimated volatility of 97%, risk-free interest rate of 3.39%, expected life of 5 years, exercise price of \$0.30, a dividend yield of 0%, and a share price of \$0.45.

On January 9, 2023, the Company issued 100,000 options to a consulting firm in exchange for services. The options are exercisable at a price of \$0.52 per option and vest quarterly over the following 12 months, with an expiration date of 3 years.

During the six months ended July 31, 2023, the Company recognized stock-based compensation expense of \$22,055 for the vesting of these stock options. The fair value of the options was determined using the Black Scholes option pricing model using the following assumptions: estimated volatility of 101%, risk-free interest rate of 3.66%, expected life of 3 years, exercise price of \$0.52, a dividend yield of 0%, and a share price of \$0.50.

RESTRICTED SHARE UNITS (RSUs)

On July 5, 2023, the Company granted 200,000 RSUs to consultants in exchange for services. The RSUs vested immediately on grant. During the six months ended July 31, 2023, the Company recognized \$46,000 in stock-based compensation pursuant to the vesting of these RSUs.

WARRANTS

Warrant activities are summarized below.

	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance, January 31, 2022	-	-
Issued	215,812	0.30
Balance, January 31, 2023	215,812	0.30
Issued	6,582,813	0.80
Exercised	(30,450)	0.38
Balance, July 31, 2023	6,768,175	0.79

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9. SHARE CAPITAL AND RESERVES (CONT'D)

WARRANTS (CONT'D)

Details of warrants outstanding and as at July 31, 2023 are as follows:

Expiry date	Number of Warrants Outstanding	Exercise price
June 10, 2024	56,000	0.30
November 14, 2024	129,362	0.30
April 20, 2025	66,699	0.88
April 28, 2025	19,565	0.88
February 7, 2026	491,442	0.80
February 7, 2026	6,005,107	0.80
Total	6,768,175	0.79

As of July 31, 2023, the weighted average remaining life for the outstanding warrants was 2.48 years (2022 – 0.92 years).

During the six months ended July 31, 2023

The Company issued 6,005,107 warrants in connection with the private placement of units that closed on February 7, 2023. Each finder's warrant may be exercised at a price of \$0.80 per share until February 7, 2026. A fair value \$Nil was allocated to the 6,005,107 warrants, in adherence with the residual value method adopted by the Company.

The Company issued 491,442 warrants as finders' fees in connection with the private placement that closed on February 7, 2023. Each finder's warrant may be exercised at a price of \$0.80 per share until February 7, 2026. The fair value of the broker warrants was \$255,381 and was determined using the Black Scholes option pricing model using the following assumptions: estimated volatility of 101%, risk-free interest rate of 3.65%, expected life of 3 years, exercise price of \$0.80, a dividend yield of 0%, and a share price of \$0.81.

The Company issued 66,699 warrants as finders' fees in connection with the private placement that closed on April 20, 2023. Each finder's warrant may be exercised at a price of \$0.88 per share until April 20, 2025. The fair value of the broker warrants was \$25,077 and was determined using the Black Scholes option pricing model using the following assumptions: estimated volatility of 100%, risk-free interest rate of 3.79%, expected life of 2 years, exercise price of \$0.88, a dividend yield of 0%, and a share price of \$0.75.

The Company issued 19,565 warrants as finders' fees in connection with the private placement that closed on April 28, 2023. Each finder's warrant may be exercised at a price of \$0.88 per share until April 28, 2025. The fair value of the broker warrants was \$4,006 and was determined using the Black Scholes option pricing model using the following assumptions: estimated volatility of 103%, risk-free interest rate of 3.65%, expected life of 2 years, exercise price of \$0.88, a dividend yield of 0%, and a share price of \$0.495.

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9. SHARE CAPITAL AND RESERVES (CONT'D)

WARRANTS (CONT'D)

During the six months ended July 31, 2022

The Company issued 86,450 warrants as finders' fees in connection with the private placement that closed on June 10, 2022. 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 \$0.30, a divided yield of 0%, and a share price of \$0.50.

10. 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, 2023, 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, 2023, the Company's available capital resources, consists of cash and cash equivalents of \$4,418,199 to settle total current liabilities of \$87,505.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial assets consist of cash and cash equivalents, interest receivable, GST receivable, and prepaid expenses, 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, 2023 \$	January 31, 2023 \$
FVTPL:			
Cash and cash equivalents	Level 1	4,418,199	1,749,133
Interest receivable	Level 1	17,624	-
		4,435,823	1,749,133

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

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

	July 31, 2023	January 31, 2023
	\$	\$
Amortized cost:		
Accounts payable	25,717	18,903
Accrued liabilities	61,788	49,023
	87,505	67,926

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 cash equivalents 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 receivables is remote.

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, 2023, the Company has cash and cash equivalents of \$4,418,199 to settle current liabilities of \$87,505. All of the Company's financial liabilities have contractual maturities of 30 days and are subject to normal trade terms.

12. 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). During the six months ended July 31, 2023, a \$50,000 cash payment was made to Blue Lagoon Resources Inc. in relation to the property purchase agreement (Note 5). Blue Lagoon Resources Inc. is a related company as a result of common directorship.

Gama Explorations Inc.

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12. RELATED PARTY TRANSACTIONS (CONT'D)

During the six months ended July 31, 2023, share based compensation included \$334,880 (July 2022 - \$Nil) to the Company's directors and corporate officers.

During the six months ended July 31, 2023, consulting fees included \$70,000 (July 2022 – \$Nil) incurred to an entity controlled by the former Chief Executive Officer of the Company.

As at July 31, 2023, accounts payable include \$11,796 (January 31, 2023 - \$Nil) owing to an entity controlled by the former Chief Executive Officer and director of the Company. The amount payable is unsecured, non-interest bearing and has no fixed terms of repayment.

As at July 31, 2023, accrued liabilities include \$30,000 (January 31, 2023 - \$Nil) owing to an entity controlled by the former Chief Executive Officer and director of the Company.

13. SUBSEQUENT EVENT

On August 4, 2023, the Company issued 100,000 stock options having an exercise price of \$0.30 and a term of five years from the grant date to a newly appointed independent director of the Company.