

**Blackbird Critical Metals Corp.**  
(formerly, Gama Explorations Inc.)  
(an exploration-stage company)

**Consolidated Financial Statements**  
**For the fifteen months ended April 30, 2024 and 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 Blackbird Critical Metals Corp. (formerly, Gama Explorations Inc.)

## Opinion

We have audited the consolidated financial statements of Blackbird Critical Metals Corp. (formerly, Gama Explorations Inc.) (the "Company"), which comprise the consolidated statement of financial position as at April 30, 2024, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the fifteen month ended April 30, 2024, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2024, and its financial performance and its cash flows for the fifteen month ended April 30, 2024, 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 incurred a net loss of \$4,337,197 during the fifteen month ended April 30, 2024. 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.

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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 Matter**

The financial statements of the Company for the year ended January 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on May 31, 2023.

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

The engagement partner on the audit resulting in this independent auditor's report is David Goertz.

A handwritten signature in black ink, appearing to read 'DMCL.', with a stylized 'D' and a period at the end.

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

August 28, 2024

**Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)  
**Consolidated Statements of Financial Position**  
(Expressed in Canadian dollars)

<b>As at</b>	<b>April 30, 2024</b>	<b>January 31, 2023</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 5)	2,690,391	1,749,133
Receivables (Note 6)	211,943	37,772
Prepaid expenses	15,474	337,879
<b>Total current assets</b>	<b>2,917,808</b>	<b>2,124,784</b>
Exploration and evaluation assets (Notes 7, 8)	5,616,537	4,281,486
<b>TOTAL ASSETS</b>	<b>8,534,345</b>	<b>6,406,270</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable (Note 9)	76,558	18,903
Accrued liabilities (Note 9)	-	49,023
<b>Total current liabilities</b>	<b>76,558</b>	<b>67,926</b>
<b>Non-current liabilities</b>		
Flow-through premium (Note 10)	21,025	-
<b>Total liabilities</b>	<b>97,583</b>	<b>67,926</b>
<b>Equity</b>		
Common shares (Note 11)	12,655,304	6,660,698
Obligation to issue shares (Note 11)	-	523,407
Reserves (Notes 11)	1,453,795	489,379
Deficit	(5,672,337)	(1,335,140)
<b>Total equity</b>	<b>8,436,762</b>	<b>6,338,344</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,534,345</b>	<b>6,406,270</b>

Nature of operations and going concern (Note 1)

**APPROVED BY THE BOARD:**

"Allan Larmour"  
Director

"Jason Riley"  
Director

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

**Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)  
**Consolidated Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars)

	<b>Fifteen months ended April 30, 2024 \$</b>	<b>Year ended January 31, 2023 \$</b>
<b>Operating expenses</b>		
Consulting fees (Note 15)	<b>1,960,393</b>	413,341
Advertising and marketing	<b>1,183,001</b>	103,771
Stock-based compensation (Notes 11 and 15)	<b>737,595</b>	426,813
Impairment expense (Note 8)	<b>517,326</b>	-
Office and administrative	<b>151,072</b>	53,514
Professional fees	<b>123,480</b>	174,748
Listing fees	<b>54,520</b>	41,072
Bank charges and interest	<b>12,090</b>	1,646
Exploration expenditures	<b>-</b>	2,250
<b>Total operating expenses</b>	<b>4,739,477</b>	1,217,155
<b>Other</b>		
Foreign exchange loss	<b>5,058</b>	-
Interest income (Note 5)	<b>(123,521)</b>	-
Flow-through premium recovery (Note 10)	<b>(283,817)</b>	-
<b>Net loss and comprehensive loss</b>	<b>4,337,197</b>	1,217,155
<b>Loss per share – basic and diluted</b>	<b>\$0.07</b>	<b>\$0.04</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>59,507,577</b>	34,100,321

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

# Blackbird Critical Metals Corp. (formerly, Gama Explorations Inc.)

## Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars, except number of shares)

	Notes	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 and Warrants issued for cash	11	8,498,366	2,168,748	62,566	-	-	2,231,314
Shares issued for acquisition of Tyee Nickel Corp.	7, 11	9,000,000	3,465,000	-	-	-	3,465,000
Shares issued to finder for Tyee Nickel Corp. transaction	7, 11	400,000	154,000	-	-	-	154,000
Shares issued for acquisition of SPAC	8, 11	50,000	19,500	-	-	-	19,500
Finder's fee for Muskox Lithium Property	8, 11	200,000	160,000	-	-	-	160,000
Stock-based compensation	11	-	-	426,813	-	-	426,813
Proceeds received in advance of 2024 Private Placement	11	-	-	-	523,407	-	523,407
Net loss for the year		-	-	-	-	(1,217,155)	(1,217,155)
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 2024 private placement	11	12,010,214	4,896,305	255,381	(523,407)	-	4,628,279
Shares issued pursuant to flow-through financing	11	1,437,747	1,270,917	29,083	-	-	1,300,000
Flow-through premium	10	-	(304,842)	-	-	-	(304,842)
Share issue costs	11	-	(79,752)	-	-	-	(79,752)
Shares issued for acquisition Odin East Mineral Claims	8, 11	60,000	55,200	-	-	-	55,200
Warrants exercised	11	30,450	20,778	(11,643)	-	-	9,135
Shares issued in exchange for consulting services	11	150,000	90,000	-	-	-	90,000
Issuance of shares upon exercise of RSUs	11	200,000	46,000	(46,000)	-	-	-
Share based compensation	11, 15	-	-	737,595	-	-	737,595
Net loss for the fifteen months		-	-	-	-	(4,337,197)	(4,337,197)
<b>Balance April 30, 2024</b>		<b>59,507,577</b>	<b>12,655,304</b>	<b>1,453,795</b>	<b>-</b>	<b>(5,672,337)</b>	<b>8,436,762</b>

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

**Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)**Consolidated Statements of Cash Flows**

(Expressed in Canadian dollars)

	<b>Fifteen months ended April 30, 2024</b>	<b>Year ended January 31, 2023</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Net loss	(4,337,197)	(1,217,155)
Items not affecting cash:		
Stock-based compensation	737,595	426,813
Impairment expense	517,326	-
Shares issued for services	90,000	-
Interest income	(70,759)	-
Flow through premium recovery	(283,817)	-
Changes in non-cash working capital items:		
Prepaid expenses	322,405	(337,879)
Receivables	(32,006)	(26,303)
Other Receivable	(71,405)	-
Accounts payable and accrued liabilities	8,632	(37,772)
<b>Cash used in operating activities</b>	<b>(3,119,226)</b>	<b>(1,192,296)</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of exploration and evaluation assets	(400,000)	(162,500)
Cash payment to amend Muscox option agreement	(50,000)	-
Transaction costs paid for acquisition of Tyee Nickel Corp.	-	(8,163)
Cash assumed on acquisition of Tyee Nickel Corp.	-	127,390
Exploration expenditures on exploration and evaluation assets	(1,347,178)	(226,396)
<b>Cash used in investing activities</b>	<b>(1,797,178)</b>	<b>(269,669)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from private placement financings	6,181,189	2,292,260
Share issuance costs	(332,662)	(60,946)
Proceeds received in advance of 2024 Private Placement	-	523,407
Proceeds from warrant exercise	9,135	-
<b>Cash from financing activities</b>	<b>5,857,662</b>	<b>2,754,721</b>
<b>Net change in cash</b>	<b>941,258</b>	<b>1,292,756</b>
Cash and cash equivalents, beginning of year	1,749,133	456,377
<b>Cash and cash equivalents, end of period</b>	<b>2,690,391</b>	<b>1,749,133</b>
<b>Supplemental Cash flow Disclosures</b>	<b>\$</b>	<b>\$</b>
Shares issued for acquisition of Odin East Mineral Claims (Note 8)	55,200	-
Shares issued for acquisition of Tyee Nickel Corp. (Note 7)	-	3,465,000
Shares issued for Tyee Nickel Corp. acquisition finder's fee (Note 7)	-	154,000
Reclassified from reserves to share capital on exercise of Warrants (Note 11)	11,643	-
Restricted share units exercised (Note 11)	46,000	-
Warrants issued for finders' fees (Note 11)	284,464	33,056

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



# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Blackbird Critical Metals Corp. (formerly, Gama Explorations Inc.) (the “Company”, or “Blackbird”) is a mineral exploration company engaged in the identification, acquisition, evaluation, and exploration of mineral properties located in British Columbia, Quebec, and the Northwest Territories in Canada. The head office of the Company is located at 2133 – 1177 West Hastings Street, Vancouver, V6E 2K3. The Company’s common shares (the “Common Shares”) trade on the Canadian Securities Exchange (“CSE”) under the trading symbol “BBRD”.

In March 2024, the Company announced the change in its fiscal year end from January 31 to April 30, effective as of December 31, 2023. Accordingly, for the 2024 reporting year, the Company is reporting its audited consolidated financial statements for the fifteen months ending April 30, 2024, along with its comparative figures for the year ended January 31, 2023 (the “Financial Statements”).

#### *Going concern*

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 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 fifteen months ended April 30, 2024, the Company incurred a net loss of \$4,337,197 and used \$3,119,226 of cash in operating activities.

The Company had cash and cash equivalents of \$2,690,391 at April 30, 2024, 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 consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

#### *Forward split*

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 Resources Inc. (“BLG”) in connection with the option of the Big Onion Property (“Big Onion”) (Notes 8 and 11) from BLG’s subsidiary, Lloyd Minerals Inc. (“LMI”). Except where otherwise indicated, all historical share numbers and per share amounts have been adjusted on a retroactive basis to reflect the Forward Split.

### **2. BASIS OF PREPARATION**

These financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The Financial statements were approved by the Board of Directors on August 28, 2024.

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

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### **2. BASIS OF PREPARATION (continued)**

#### **Basis of measurement and consolidation**

The 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 these Financial Statements. The Financial Statements are presented in Canadian dollars which is the functional currency of the Company.

The preparation of 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 Note 4.

The Financial statements incorporate the accounts of the Company and its controlled subsidiary, Tyee Nickel Corp. ("Tyee Nickel"), from September 19, 2022, the date of acquisition (Note 7). 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 was incorporated under the Business Corporations Act of British Columbia on March 1, 2022.

In the opinion of management, the Financial Statements reflect all normal and recurring adjustments necessary for the fair presentation of the Company's financial position as at April 30, 2024 and January 31, 2023, and results of its operations for each of the fifteen months and twelve months then ended.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

#### **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.

#### **Foreign exchange**

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). Each of Blackbird and Tyee Nickel raise financing and incur expenditures in Canadian dollars, giving rise to a Canadian dollars functional currency. The determination of functional currency involves certain judgments to determine the primary economic environment in which the company operates, and management of the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

In preparing the Financial Statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the parent entity that are in a currency other than Canadian Dollars are retranslated at the rates prevailing at that date, giving rise to foreign exchange gains and losses in the consolidated statements of loss and comprehensive loss.

Foreign currency non-monetary items that are measured in terms of historical cost are not retranslated.

Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case, the exchange rates at the dates of the transactions are used.

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **Exploration and evaluation assets**

Costs incurred prior to obtaining the legal rights to explore a property are recognized as an expense in the period in which they are incurred.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments paid in connection with farm-in transactions are considered acquisition costs provided that the Company has the intention of exercising the underlying option. Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Upon abandonment or disposal (including farm-out transactions), any consideration received is credited against the carrying amount of the exploration and evaluation property interests, with any excess consideration greater than the carrying amount included as a gain in profit or loss.

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

There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that management of the Company will be able to arrange sufficient financing to bring ore bodies into production.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

#### **Impairment**

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 in the specific area; and
- sufficient data exist to indicate that, although a 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.

If an impairment indicator is identified, management will perform an impairment test. If the recoverable amount of the exploration property's value is less than the carrying amount, an impairment loss will be recorded in the financial state.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in profit or loss for that period.

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **Impairment (continued)**

The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized. Additionally, the review of impairment indicators takes into account factors such as political, social and legal and environmental regulations. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount. The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding its exploration property interests.

As a consequence of the decision to terminate the option on the Big Onion property, the Company recognized an impairment expense of \$517,326 (Note 8) during the fifteen months ended April 30, 2024.

#### **Impairment of non-financial assets**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately on the statement of comprehensive loss/income.

#### **Flow-through shares**

Canadian income tax legislation permits companies to issue flow-through instruments whereby the income tax deductions generated by eligible expenditures of the Company, defined in the Income Tax Act (Canada) as qualified Canadian exploration expenses, are claimed by the investors rather than by the Company. Shares issued on a flow-through basis are typically sold at a premium above the market share price which relates to the tax benefits that will flow through to the investors. The Company often issues flow-through shares as part of its equity financing transactions to fund its Canadian exploration activities. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the flow-through share price over the market share price of the common shares without the flow-through feature at the time of issuance. The premium is recorded as a liability which represents the Company's obligation to spend the flow-through funds on eligible expenditures and is amortized as other income through the statement of loss and comprehensive loss as the eligible expenditures are incurred.

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **Provisions**

Provisions for environmental restoration, restructuring costs and legal claims are recognized when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when the amount has been reasonably estimated. Provisions are not recognized for future operating losses.

Constructive obligations are obligations that derive from actions of Blackbird where:

- An established pattern of past practice, published policies, or a sufficiently specific current statement in which the Company has indicated to other parties that it will accept certain responsibilities; and
- As a result, the Company has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Blackbird records provisions for closure and reclamation on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate and the liability is recognized at the time environmental disturbance occurs. The estimate for such costs are capitalized to the corresponding asset. The provision for closure and reclamation is estimated using expected cash flows and discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation, the offset of which is charged to the consolidated statements of loss and comprehensive loss, and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation costs.

Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost. Expenditures of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred, most of which are incurred at the later of i) the determination to abandon a property, or ii) the end of the life of the mine.

The Company has determined not to record any provision for reclamation costs as at April 30, 2024 (January 31, 2023: \$nil) given the limited amount of disturbance created to date.

#### **Financial instruments**

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are not offset unless the Company has the legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously.

Financial instruments are classified as either fair value through profit or loss ("FVTPL"), fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of its financial assets at initial recognition.

The Company's financial assets consist of cash in the bank and its Canadian government backed, redeemable, guaranteed investment certificates ("GICs").

#### Measurement

##### *Financial assets at FVTOCI*

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **Financial Instruments (continued)**

##### *Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

##### *Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of net loss in the period in which they arise.

#### **Derecognition**

##### *Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

##### *Financial liabilities*

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of net loss, unless the transaction is with a party acting in the capacity of a shareholder. The Company's financial liabilities consists of accounts payable.

#### **Share-based payments**

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **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 typical unit comprises a certain number of Common Shares and a certain number of common 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.

#### **Income taxes**

Income tax expense comprises current and deferred tax. Income tax is recognized in the statements of loss and comprehensive loss except to the extent it relates to items recognized directly in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is recognized using the liability method, providing for 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 recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. 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. Deferred income tax assets and deferred income tax liabilities are offset only when there is a legally enforceable right to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

#### **Loss per share**

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The calculation of diluted earnings per share takes into account the potential impact of the exercise of all dilutive instruments. If necessary, net profit is also adjusted for the interest expense, net of tax, relating to these instruments.

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

### **4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND RISKS**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of expenses during the reporting period.

Estimates and judgments are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from the amounts estimated in these Financial Statements; uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. To the extent there are material differences between estimates and the actual results, future results of operations will be affected.

The more significant areas requiring the use of management's judgments, estimates, and assumptions include: the determination of a going concern risk, the type and amount of exploration property acquisition and transaction costs eligible for capitalization; the assessment of indicators of impairment (or impairment reversal) of exploration properties; the determination and valuation of any reclamation obligation, the valuation of share-based compensation; and whether accounting policies are material enough to merit disclosure or not.

Further information on management's judgments, estimates, and assumptions and how they may impact results are described in the relevant notes to the Financial Statements.

### **5. CASH AND CASH EQUIVALENTS**

	<b>April 30, 2024</b>	<b>January 31, 2023</b>
Cash held in bank	\$ 655,334	\$ 1,749,133
Guaranteed investment certificates ("GICs")	2,035,057	-
	<b>\$ 2,690,391</b>	<b>\$ 1,749,133</b>

As at April 30, 2024, the Company held two 90-day redeemable GICs of \$1,021,022 and \$1,014,035. The GICs pay interest at 5.15% and 5.45%, (per annum), and are each redeemable at any time, and mature on October 1, 2024, and August 9, 2024, respectively.

### **6. RECEIVABLES**

Receivables are composed of the following amounts:

	<b>April 30, 2024</b>	<b>January 31, 2023</b>
GST receivable	\$ 69,779	\$ 37,772
Tax Credit Receivable	71,405	-
Interest receivable on GICs (Note 5)	70,759	-
	<b>\$ 211,943</b>	<b>\$ 37,772</b>



# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

### **7. ACQUISITION OF TYEE NICKEL CORP.**

On September 19, 2022 (the "Closing Date"), the Company and Tyee Nickel entered into an acquisition agreement (the "Acquisition Agreement"), pursuant to which the Company acquired all of the outstanding common shares of Tyee Nickel (the "Tyee Acquisition"). Tyee Nickel was the beneficial holder of the "Gatineau Ni-Cu claims" (subsequently conveyed to Blackbird).

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 the issued and outstanding shares of Tyee Nickel 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 11).
- 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 – *Business Combinations*, 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.

The values ascribed to the Tyee Acquisition are as follows:

<b>Consideration paid:</b>			
Value of Common Shares issued	\$		3,465,000
Value of finder's fee shares issued			154,000
Transaction costs			8,163
	\$		<b>3,627,163</b>
<b>Net identifiable assets acquired:</b>			
Cash and cash equivalents	\$		127,390
Exploration and evaluation asset			3,533,030
Accounts payable and accrued liabilities			(33,257)
	\$		<b>3,627,163</b>

### **8. EXPLORATION AND EVALUATION ASSETS**

Exploration and evaluation expenditures are capitalized.

	<b>Tyee Project</b>	<b>Muskox</b>	<b>Big Onion</b>	<b>Total</b>
	\$	\$	\$	\$
Balance at January 31, 2022	-	-	170,595	170,595
Acquisition costs – cash	12,500	150,000	-	162,500
Acquisition costs – shares	19,500	160,000	-	179,500
Acquisition of Tyee Nickel (Note 7)	3,533,030	-	-	3,533,030
Exploration expenditures	75,463	4,861	155,537	235,861
Balance at January 31, 2023	3,640,493	314,861	326,132	4,281,486
Acquisition costs – cash	100,000	300,000	50,000	450,000
Acquisition costs – shares	55,200	-	-	55,200
Exploration expenditures	1,116,015	161,373	141,194	1,418,582
Recovery pursuant to tax incentives	(32,147)	(39,258)	-	(71,405)
Impairment Loss	-	-	(517,326)	(517,326)
<b>Balance at April 30, 2024</b>	<b>4,879,561</b>	<b>736,976</b>	<b>-</b>	<b>5,616,537</b>

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

### **8. EXPLORATION AND EVALUATION ASSETS (continued)**

#### Tyee Project (“Tyee”)

The Tyee Project consists of mineral property claims expanding across the Gatineau Ni-Cu Property and the Saint-Pierre Anorthosite Complex (the “SPAC”) in south-eastern Quebec, approximately 130 km north of Havre St. Pierre, Quebec, and 12 km north of the Romaine IV Hydroelectric Dam.

On September 19, 2022, the Company closed the Tyee Acquisition (Note 7) for total consideration of \$3,627,163 and became the beneficial owner of the Gatineau Ni-Cu mineral claims.

The Company subsequently made further acquisitions of prospective claims contiguous to the Gatineau Ni-Cu claims, expanding the footprint of the Tyee Project, including:

- On December 16, 2022, the Company closed an asset acquisition agreement with 1380749 BC Ltd. (the “First 1380749 Agreement”) and became the beneficial owner of the Odin East mineral claims. The additional mineral claims acquired span 32.15 km<sup>2</sup> contiguous to the original Gatineau Ni-Cu claims, and together comprise the Tyee Project. Consideration paid for the acquisition of the property included \$12,500 and 50,000 Common Shares at a price of \$0.39 (Note 11), for total consideration of \$19,500.
- On February 13, 2023, the Company entered into a further agreement with 1380749 BC Ltd. to acquire an additional 78 mineral claims known as Odin East (the “Second 1380749 Agreement”). Upon execution of the agreement, the Company paid cash consideration of \$50,000, and issued 60,000 Common Shares of the Company at a price of \$0.92 per share (Note 11), for a total value of \$55,200.
- On March 15, 2023, the Company entered into an agreement with 1290480 BC Ltd. to acquire an additional 147 mineral claims. Upon execution of the agreement, the Company paid cash consideration of \$50,000.

#### Muskox Lithium Property (“Muskox”)

On January 13, 2023 (the “Signing Date”; subsequently amended January 14, 2024, and June 2024), Blackbird entered into an option agreement (the “Muskox Option”) with RGV Lithium Explorations Inc. (“RGV Lithium”) that will, upon satisfaction of the requisite payments, allow the Company to become the legal and beneficial owner of 100% undivided interest in the Muskox located in the Northwest Territories. The Muskox Option became effective on January 19, 2023.

Muskox is located approximately 40 km east of Yellowknife and spans an area of 50 km<sup>2</sup>. Muskox is subject to a 2.5% net smelter return royalty (“NSR”) which may be reduced to 1.5% for cash consideration of \$2,000,000.

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

On or prior to the execution of the agreement	Cash: \$150,000 (paid)
On or prior to the date that is six months following the Signing Date	Cash: \$250,000 (paid)
On or prior to the date that is 12 months from the Signing Date	Cash: \$50,000 (paid)
On or prior to the date that is 21 months from the Signing Date (As extended in June 2024)	- Issue 100,000 shares - Incur expenditures of \$250,000
On or prior to the date that is 24 months from the Signing Date	- Issue 200,000 shares - Incur expenditures \$350,000
On or prior to the date that is 36 months from the Signing Date	- Issue 300,000 shares - Incur expenditures \$400,000
On or prior to the date that is 48 months from the Signing Date	- Issue 400,000 shares - Incur expenditures \$500,000

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

### **8. EXPLORATION AND EVALUATION ASSETS (continued)**

#### Muskox Lithium Property (continued)

In addition, the Company issued 200,000 shares with a fair value of \$0.80 per share (Note 11) for a total value of \$160,000 as a finders' fee in connection with the closing of the purchase agreement for Muskox.

#### Big Onion Property ("Big Onion")

On December 6, 2021, the Company entered into a property option agreement with BLG to acquire a 100% ownership and beneficial interest in 13 contiguous non-surveyed mineral claims near Smithers, British Columbia, known as the Big Onion gold property.

In order to exercise the complete acquisition of Big Onion, the Company was required to make cash and share payments to the LMI, and incur property expenditures over a prescribed period. A total of \$100,000 in cash was paid, and a total of 1,300,000 shares of the Company were issued in connection with the Big Onion Option.

On March 23, 2024, the Company notified BLG that it terminated the Big Onion Option, and accordingly, the carrying value of \$517,326 has been written down to \$nil.

### **9. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES**

	As at April 30, 2024	As at January 31, 2023
Payables	\$ 76,558	\$ 18,903
Accrued liabilities	-	49,023
	<b>\$ 76,558</b>	<b>\$ 67,926</b>

Payables and accrued liabilities are non-interest bearing. The Company's normal practice is to settle payables within 30-days, or as credit arrangements will allow.

### **10. 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 11). 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 respectively.

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 11). Upon closing of the private placement, the Company recognized a flow-through premium in the statement of financial position of \$138,587.

During the fifteen months ended April 30, 2024, the Company incurred qualifying exploration expenditures resulting in the recognition of flow-through premium recovery in the statement of loss and comprehensive loss of \$283,817 (January 31, 2023 - \$nil).

As at April 30, 2024, the balance of the flow-through premium liability was \$21,025.

Balance, January 31, 2023	\$ -
Issuance of flow-through shares	304,842
Flow-through premium recovery	(283,817)
<b>Balance, April 30, 2024</b>	<b>\$ 21,025</b>

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

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### **11. SHARE CAPITAL AND RESERVES**

#### **Authorized share capital**

The Company has authorized an unlimited number of Common Shares with no par value.

As at April 30, 2024, the Company has 1,525,440 shares in escrow.

#### **Common Shares**

##### *Changes in issued common share capital during the fifteen months ended April 30, 2024*

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 Warrant. Each whole Warrant entitles the holder to purchase one Common Share at a price of \$0.80 for a period of 36 months. In connection with the private placement, the Company paid cash finders' fees of \$226,959 and issued 491,442 finder's warrants to certain finders in consideration for their services ("Finder's Warrants") with a fair value of \$255,381, estimated using the Black-Scholes Option Pricing Model ("Black-Scholes") 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 Warrants issued in this private placement 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 at a price of \$0.92 per share for a total value of \$55,200 pursuant to the Second 1380749 Agreement (Note 8).

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 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 10). In connection with the 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 Black-Scholes 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 issued in this private placement are exercisable into one Common Share at a price of \$0.88 for a period of 24 months.

On April 28, 2023, the Company closed an additional 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 10). In connection with the 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 Black-Scholes 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 issued in this private placement is exercisable into one Common Share at a price of \$0.88 for a period of 24 months. The Company incurred additional cash share issuance costs of \$1,752, for legal fees associated with the issuance.

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

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### **11. SHARE CAPITAL AND RESERVES (continued)**

#### *Changes in issued common share capital during the fifteen months ended April 30, 2024 (cont'd)*

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 ("RSUs"). Upon issuance, the fair value of \$46,000 was reclassified from reserves to share capital.

#### *Changes in issued common share capital during the twelve-months ended January 31, 2023*

On April 27, 2022, the Company completed the Forward Split, with the exception of 900,000 of the pre-Forward Split common shares issued to BLG to secure the option of Big Onion (Note 8). 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 finder's fees of \$21,612 and issued 86,450 Finder's Warrants. Each Finder's Warrant issued in this private placement may be exercised at a price of \$0.30 per share until June 10, 2024. The fair value of the Finder's Warrants was \$33,056 and was determined using Black-Scholes and 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.

On September 19, 2022, the Company closed the Acquisition Agreement with Tyee Nickel and its shareholders (Note 7) to acquire all of the issued and outstanding shares of Tyee Nickel in exchange for 9,000,000 Common Shares of the Company valued at \$0.385 per share for total value of share consideration of \$3,465,000. In connection with the transaction, the Company also issued a finder's fee of 400,000 Common Shares to an arm's length party valued at \$0.385 per share for total value of share finder's fees of \$154,000.

On November 14, 2022, the Company closed a private placement offering of 3,353,366 Common Shares at a price of \$0.30 per share for gross proceeds of \$1,006,010. In connection with the private placement, the Company paid cash finder's fees of \$39,334 and issued 129,362 Finder's Warrants. Each Finder's Warrant issued in this private placement may be exercised at a price of \$0.30 per share until November 14, 2024. The fair value of the Finder's Warrants was \$29,510 and was determined using Black-Scholes and the following assumptions: estimated volatility of 90%, risk-free interest rate of 3.87 %, expected life of 2 years, exercise price of \$0.30, a dividend yield of 0%, and a share price of \$0.40.

On December 16, 2022, the Company issued 50,000 shares with a fair value of \$0.39 per share for a total value of \$19,500, pursuant to the First 1380749 Agreement (Note 8).

On January 19, 2023, 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 Muskox Option (Note 8).

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

### **11. SHARE CAPITAL AND RESERVES (continued)**

#### **Stock Options**

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 twelve month period for issuance to any one individual upon exercise of all 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 activities are summarized in the table below.

	Number of Stock Options Outstanding	Weighted Average Exercise Price (\$)
<b>Balance, January 31, 2022</b>	-	-
Granted	3,200,000	0.30
<b>Balance, January 31, 2023</b>	<b>3,200,000</b>	<b>0.30</b>
Granted	100,000	0.30
Cancelled	(500,000)	(0.30)
<b>Balance, April 30, 2024</b>	<b>2,800,000</b>	<b>0.30</b>

Details of Options outstanding and exercisable as at April 30, 2024 are as follows:

Expiry date	Number of Stock Options Outstanding	Number of Stock Options Vested	Exercise price (\$)
September 19, 2027	2,600,000	1,950,000	0.30
January 9, 2026	100,000	100,000	0.52
August 4, 2028	100,000	100,000	0.30
<b>Total</b>	<b>2,800,000</b>	<b>2,150,000</b>	

As of April 30, 2024, the weighted average remaining life for the outstanding Options was 3.36 years (January 31, 2023 – 4.59 years).

On September 19, 2022, the Company issued 3,100,000 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. The fair value of the Options was determined using Black-Scholes and 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 twelve months, with an expiration date of 3 years. The fair value of the options was determined using Black-Scholes and 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.

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

### **11. SHARE CAPITAL AND RESERVES (continued)**

#### **Stock Options (continued)**

On August 4, 2023, the Company issued 100,000 incentive stock options to a director of the Company. The options are exercisable at a price of \$0.30 per option and vested immediately on grant, with an expiration date of 5 years. The fair value of the options was determined using Black-Scholes and the following assumptions: estimated volatility of 118%, risk-free interest rate of 3.87%, expected life of 5 years, exercise price of \$0.30, a dividend yield of 0%, and a share price of \$0.18.

During the fifteen months ended April 30, 2024, the Company recognized stock-based compensation expense of \$691,595 (January 31, 2023 - \$426,813) for the vesting of these Options.

On July 31, 2023, the Company cancelled 500,000 Options to a former director of the Company, in accordance with the termination agreement. During the fifteen months ended April 30, 2024, the Company recognized stock-based compensation expense of \$89,158, respectively, for the accelerated vesting of these Options.

#### **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 and were exercised by the holders. During the fifteen months ended April 30, 2024, the Company recognized \$46,000 (January 31, 2023 - \$Nil), 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 (\$)
<b>Balance, January 31, 2022</b>	-	-
Issued	215,812	0.30
<b>Balance, January 31, 2023</b>	<b>215,812</b>	<b>0.30</b>
Issued	6,582,813	0.80
Exercised	(30,450)	0.30
<b>Balance, April 30, 2024</b>	<b>6,768,175</b>	<b>0.79</b>

Details of Warrants outstanding as at April 30, 2024 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	6,496,549	0.80
<b>Total</b>	<b>6,768,175</b>	<b>0.79</b>

As of April 30, 2024, the weighted average remaining life for the outstanding warrants was 1.73 years (2023 – 1.62 years).

Subsequent to April 30, 2024, 56,000 warrants expired unexercised.

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(Expressed in Canadian dollars, except where noted)

### **12. INCOME TAXES**

Effective tax rate: The effective income tax rate differs from the statutory rate for the following reasons in the periods ended April 30, 2024 and January 31, 2023:

<b>Periods ended</b>	<b>April 30, 2024</b>	<b>January 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Loss before tax	4,337,197	1,217,155
Statutory tax rate	27%	27%
Expected tax recovery	(1,171,000)	(329,000)
Permanent differences	126,000	114,000
Impact of flow through shares	313,000	-
Share issuance costs	(167,000)	(16,000)
True up	948,000	-
Other	(141,000)	(3,000)
Change in valuation allowance	92,000	234,000
<b>Tax recovery for the year</b>	<b>-</b>	<b>-</b>

The temporary differences are as follows:

<b>Periods ended</b>	<b>April 30, 2024</b>	<b>January 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Non-capital losses	1,312,000	239,526
Share issuance costs	145,000	13,164
Exploration and evaluation assets	(1,100,000)	12,531
Less: valuation allowance	(357,000)	(265,221)
<b>Unrecognized deferred tax assets</b>	<b>-</b>	<b>-</b>

At April 30, 2024, the Company has non-capital losses of \$4,858,000 (January 31, 2023 - \$887,000) which may be applied against future Canadian taxable income for Canadian income between 2039 and 2043.

### **13. 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 April 30, 2024, 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 April 30, 2024 the Company's available capital resources consists of cash and cash equivalents of \$2,690,391 to settle total current liabilities of \$76,558.



# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

### **14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial assets consist of cash and cash equivalents, and receivables, and its financial liabilities consist of accounts payable. 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:

	<b>Level in fair value hierarchy</b>	<b>April 30, 2024</b> \$	<b>January 31, 2023</b> \$
<b>FVTPL:</b>			
Cash and cash equivalents	Level 1	2,690,391	1,749,133
Interest receivable	Level 1	70,759	-
		<b>2,761,150</b>	<b>1,749,133</b>

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

	<b>April 30, 2024</b> \$	<b>January 31, 2023</b> \$
<b>Amortized cost:</b>		
Accounts payable	76,558	18,903
	<b>76,558</b>	<b>18,903</b>

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 April 30, 2024, the Company has cash and cash equivalents of \$2,690,391 to settle current liabilities of \$76,558. All of the Company's financial liabilities have contractual maturities of 30 days and are subject to normal trade terms.

# **Blackbird Critical Metals Corp.** (formerly, Gama Explorations Inc.)

## **Notes to the Consolidated Financial Statements**

For the fifteen months ended April 30, 2024 and the year ended January 31, 2023

(Expressed in Canadian dollars, except where noted)

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### **15. 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 fifteen months ended April 30, 2024, a \$50,000 cash payment was made to BLG pursuant to the option of Big Onion (Note 8). BLG is a related company as a result of common directorship. An additional \$113,297 in consulting fees was paid to BLG in connection with certain exploration activities completed at Big Onion.

During the fifteen months ended April 30, 2024:

- share based compensation included \$449,789, respectively (January 31, 2023 – \$54,658), to the Company's directors and corporate officers,
- consulting fees included \$130,000 (January 31, 2023 – \$nil) of which \$81,500 was in connection with exploration activities, incurred to an entity controlled by the Chief Executive Officer of the Company,
- consulting fees included \$100,000 (January 31, 2023 – \$nil), incurred to an entity controlled by a former director of the Company,
- consulting fees included \$11,329 (January 31, 2023 – \$nil), incurred to a entity relates as a result of common directorship,
- consulting fees included \$22,500 (January 31, 2023 – \$nil), incurred to an entity controlled by the Chief Financial Officer of the Company, and
- consulting fees included \$40,000 (January 31, 2023 – \$nil), incurred to a director of the Company.

### **16. SEGMENTED INFORMATION**

The Company operates in a single reportable operating segment, being the acquisition, exploration and development of its Canadian exploration and evaluation properties.