MUZHU MINING LTD.

Consolidated Financial Statements

March 31, 2023 and December 31, 2021

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Muzhu Mining Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Muzhu Mining Ltd. (the "Company"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of loss and comprehensive loss, changes in equity (deficiency), and cash flows for the 15 month period ended March 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance and its cash flows for the 15 month period ended March 31, 2023 in accordance with International Financial Reporting Standards ("IFRS").

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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at March 31, 2023, the Company had not yet generated revenues and had an accumulated deficit of $1,860,951. As stated in Note 1, these events and conditions 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.

Other Matters

The financial statements of Muzhu Mining Ltd. for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on April 11, 2022.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

Key Audit Matters

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

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Michael MacLaren.

Davidson & Company LLP

Vancouver, Canada — Chartered Professional Accountants

July 26, 2023

MUZHU MINING LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	As at March 31, 2023	As at December 31, 2021
	$	$
ASSETS		
Current assets		
Cash	543,668	658,858
GST receivable	38,602	9,367
Prepaid expenses	23,715	1,250
	605,985	669,475
Exploration and evaluation assets (Note 6)	724,301	281,946
	1,330,286	**951,421**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	121,548	40,595
Due to related parties (Note 5)	33,841	-
Flow-through share premium liability (Note 7)	95,000	52,030
	250,389	92,625
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	2,298,916	1,711,722
Reserves (Note 4)	576,447	8,800
Subscriptions received in advance (Note 13)	65,485	-
Deficit	(1,860,951)	(861,726)
	1,079,897	858,796
	1,330,286	**951,421**

Nature of business and going concern (Note 1)
Subsequent event (Note 13)

Approved and authorized for issue on behalf of the Board on July 26, 2023

"Richard Tong"
Director

"James Tong"
Director

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

MUZHU MINING LTD.
Consolidated Statements of Loss and Comprehensive Loss
For the 15 month period ended March 31, 2023 and year ended December 31, 2021
(Expressed in Canadian dollars)

	March 31, 2023	**December 31, 2021**
	$	$
Expenses		
Advertising and promotion	110,775	70,890
Consulting fees (Note 5)	266,618	46,250
Directors' fees (Note 5)	-	17,500
Filing fees and transfer agent	22,888	35,471
Insurance	19,073	-
Interest and bank charges	42	395
Office and general	20,903	999
Professional fees	130,759	100,785
Property investigation costs (Note 6)	41,089	-
Share-based compensation (Notes 4 & 5)	345,801	-
Travel, meals, and entertainment	28,027	-
Wages and benefits	65,280	-
	(1,051,255)	(272,290)
Gain on debt forgiveness (Note 4 and 5)	-	66,900
Flow-through premium recovery (Note 7)	52,030	-
Loss and comprehensive loss	**(999,225)**	**(205,390)**
Loss per share – basic and diluted (Note 11)	**(0.04)**	**(0.01)**
Weighted average number of common shares outstanding – basic and diluted	**24,316,758**	**16,955,589**

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

MUZHU MINING LTD.
Consolidated Statements of Changes in Equity (Deficiency)
For the 15 month period ended March 31, 2023 and year ended December 31, 2021
(Expressed in Canadian dollars)

	Common shares		Subscription received in advance	Reserves	Deficit	Total
	#	$	$	$	$	$
Balance, December 31, 2020	**9,314,750**	**507,800**	**-**	**-**	**(656,337)**	**(148,537)**
Shares issued under private placement	6,258,500	807,955	-	-	-	807,955
Share issue costs	-	(43,724)	-	-	-	(43,724)
Flow through share premium	-	(52,030)	-	-	-	(52,030)
Valuation of brokers' warrants	-	(8,800)	-	8,800	-	-
Shares issued for Sleeping Giant South	3,500,000	175,000	-	-	-	175,000
Shares issued for debt settlement	3,255,212	325,521	-	-	-	325,521
Loss for the year	-	-	-	-	(205,390)	(205,390)
Balance, December 31, 2021	**22,328,462**	**1,711,722**	**-**	**8,800**	**(861,726)**	**858,796**
Shares issued under private placement	10,075,417	747,000	-	207,600	-	954,600
Valuation of finders' warrants	-	(14,246)	-	14,246	-	-
Share issue costs	-	(50,560)	-	-	-	(50,560)
Flow through share premium	-	(95,000)	-	-		(95,000)
Subscription received in advance			65,485			65,485
Share-based compensation	-	-	-	345,801	-	345,801
Loss for the period	-	-	-	-	(999,225)	(999,225)
Balance, March 31, 2023	**32,403,879**	**2,298,916**	**65,485**	**576,447**	**(1,860,951)**	**1,079,897**

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

MUZHU MINING LTD.
Consolidated Statements of Cash Flows
For the 15 month period ended March 31, 2023 and year ended December 31, 2021
(Expressed in Canadian dollars)

	March 31, 2023	December 31, 2021
	$	$
Cash provided by (used in):		
Operating activities		
Net loss for the period	(999,225)	(205,390)
Items not affecting cash:		
Professional fees settled through issue of shares	-	16,121
Gain on debt settlement	-	(66,900)
Share-based compensation	345,801	-
Flow-through premium recovery	52,030	-
Net Change in non-cash working capital balances related to operations:		
GST receivable	(29,235)	13,733
Prepaid expenses	(22,465)	(750)
Accounts payable and accrued liabilities	68,218	110,816
Due to related parties	33,841	(12,041)
	(655,095)	(144,411)
Investing activities		
Exploration and evaluation asset additions	(440,870)	(60,546)
	(440,870)	(60,546)
Financing activities		
Shares issued for cash	954,600	807,955
Share issue costs	(39,310)	(43,724)
Subscription received in advance	65,485	-
	980,775	764,231
Net change in cash	(115,190)	559,274
Cash, beginning of period	658,858	99,584
Cash, end of period	**543,668**	**658,858**

Supplemental cash flow info:

Non-cash transactions	$	$
Exploration and evaluation assets included in accounts payable	1,485	-
Share issue costs in accounts payable	11,250	-
Fair value of finder's warrants	14,246	8,800

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

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Muzhu Mining Ltd. ("MUZHU" or the "Company") was incorporated under the Business Corporations Act of British Columbia on January 24, 2018. The Company's common shares are listed for trading on the Canadian Securities Exchange. The address of the Company's head office is 4353 Halifax Street, Suite 904, Burnaby, BC, V5C 5Z4 and the registered office is 777 Hornby Street, Suite 600, Vancouver, BC, V6Z 1S4, Canada.

The Company's objective is to seek opportunities in the exploration, development and mining of precious metals properties domestically and/or internationally and currently has exploration property agreements in Canada and China.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at March 31, 2023, the Company had not yet generated revenues and had an accumulated deficit of $1,860,951. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or proceeds from the disposition of its resource property interests. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern. Such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. As the Company does not have active operations, the impact of the pandemic has been minimal. Management continues to monitor the situation and take the necessary precautions as deemed appropriate.

NOTE 2 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of measurement and presentation

These consolidated financial statements have been prepared in accordance with International Accounting Standards using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").They are prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss which have been measured at fair value.

These consolidated financial statements are presented in Canadian dollars which is the Company's and its subsidiary's functional currency.

The board of directors approved these financial statements on July 26, 2023.

a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiary. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

NOTE 2 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Principles of consolidation (continued)

Name of Subsidiary	Country of Incorporation	Percentage of Ownership	Principal Activity
Luoyang Sow International Mining Company Ltd.	China	100%	Exploration in China

b) Significant accounting judgments and estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the consolidated financial statements.

The company's significant estimates and judgements are as follows:

- The provision of deferred income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities;
- Going concern - significant judgments are used in the Company's assessment of its ability to continue as a going concern as described in Note 1.
- Valuation and recoverability of exploration and evaluation assets. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project;
- Valuation of share-based payments – the Company records all share based payments and warrants using the fair value method. The Company uses the Black-Scholes model to determine the fair value of stock options, warrants and broker/finder warrants. The main factor affecting the estimates is the stock price expected volatility used. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

c) Income (loss) per share

Basic income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. To compute diluted income (loss) per share, adjustments are made to common shares outstanding, if applicable. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at the time of issuance, all options and warrants were exercised. The proceeds from exercise are assumed to be used to purchase the Company's common shares at their average market price during the period. If this computation is anti-dilutive, diluted income (loss) per share is the same as basic income (loss) per share. For the periods presented, this calculation proved to be anti-dilutive.

NOTE 2 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

e) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets – Classification

The Company classifies its financial assets in the following categories:
- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

Fair value hierarchy

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 - Inputs for the asset or liability that are not based upon observable market data.

Cash is carried at fair value using a level 1 fair value measurement.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

NOTE 2 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.

- Fair value through OCI (“FVOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

Financial liabilities

The Company classifies its financial liabilities into the following categories:

- Financial liabilities at FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not designate any financial liabilities at FVTPL. The Company has designated its accounts payable and due to related parties as amortized cost.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

f) Exploration and evaluation assets

The Company capitalizes costs directly related to the acquisition, exploration and evaluation of exploration and evaluation assets. Such costs include, but are not restricted to, geological, geophysical, drilling, trenching and sampling costs including the support costs and supplies required in relation thereto. These assets are recorded at cost as adjusted for impairments in value. Impairment is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. In assessing impairment, exploration and evaluation assets are grouped into Cash Generating Units ("CGU's"). Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest and a CGU.

NOTE 2 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

Although not an exhaustive list, one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditures 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 has 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.
- Sufficient data exists 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 sale.

An impairment loss may be reversed in a situation where there is a change in the circumstances that had initially dictated that impairment had occurred.

Where the Company receives proceeds for a CGU subject to a farm-in option agreements with a third party, the proceeds of any option payments under such agreements are applied to the CGU to the extent of capitalized costs. The excess, if any, is credited to profit or loss. Option payments made by the Company are recorded as exploration and evaluation assets. Options are exercisable entirely at the discretion of the optionee and accordingly, are recorded as exploration and evaluation assets or recoveries when the payments are made or received. The proceeds on the sale of exploration and evaluation assets are applied to the area of interest to the extent of costs incurred and the excess, if any, is credited to profit or loss. In some circumstances option payments received by or made by the Company are made in whole or in part through the issuance of common shares of the optionee. The value of these payments in shares is calculated using the fair value of the shares on the date of issue.

g) Rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the rehabilitation of exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with rehabilitation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized rehabilitation costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs). The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had no measurable rehabilitation obligations for the years presented

h) Impairment

At the end of each reporting period, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of the asset's 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 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

NOTE 2 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

Where an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate and 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 or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss

i) Leases

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over its lease term. Right-of-use assets are subject to evaluation of potential impairment.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments). The lease payments also include the exercise price of purchase options, if any, reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of properties (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below $5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

j) Share capital

Common shares are classified as shareholders’ equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Costs related to issuances not completed will be recorded as deferred financing costs if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Common shares issued for consideration other than cash are valued based on their market value at the date the shares are issued

The Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as private placement units. The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a prorated basis using relative fair values of common shares and warrants. The fair value of common share purchase warrants is determined using the Black-Scholes option pricing model.

NOTE 2 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Share-based payments

The Company accounts for all grants of options to employees, non-employees and directors in accordance with the fair value method for accounting for share-based payments. Share-based payment awards are calculated using the Black-Scholes option pricing model.

Compensation expense is recognized immediately for past services and pro-rata for future services over the option vesting period. A corresponding increase in reserves is recorded when stock options are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based payment previously recorded in reserves.

Share-based payment to non-employees, who are not providing similar services to employees, are measured at the grant date by using the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services received cannot be reliably measured, and are recorded at the date the goods or services are received.

Warrants that are issued as payment for agency fee or other transactions costs are accounted for as share-based payments.

l) Foreign currency translation

Applicable to all entities in the group, transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the statement of financial position date. Non-monetary items are translated into Canadian dollars at the exchange rate in effect on the respective transaction dates. Revenues and expenses are translated at average rates for the period, except for amortization, which is translated on the same basis as the related asset. Exchange gains or losses arising on foreign currency translation are reflected in profit or loss for the year.

m) Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of taxable 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 for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. 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 taxable 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 current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, 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 for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be 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.

NOTE 2 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Flow-through share issuances

The Company finances a portion of its exploration activities through the issue of flow-through shares issued pursuant to the Canadian Income Tax Act (“Tax Act”). Proceeds received from the issuance of flow-through shares are restricted to be used only for qualifying Canadian exploration and development expenses (as defined in the Tax Act).

Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying expenditures to flow-through investors. On issuance, the Company allocates a portion of the subscription proceeds as a flow-through share premium, equal to the estimated premium, if any, that investors pay for the flow-through feature, which is recognized as a premium liability. As expenditures are incurred and applied against the Company’s associated flow-through commitment, the premium liability is reduced proportionately, charged as a deferred income tax recovery in profit or loss.

NOTE 3 – ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. There are presently no new standards, interpretations and amendments to existing standards which may have a significant impact on the Company’s financial statements.

NOTE 4 – SHARE CAPITAL

a) Common shares

The Company’s authorized capital consists of an unlimited numbers of common shares without par value.

Fiscal 2021 Transactions:

(i) On March 26, 2021, the Company issued 3,500,000 common shares at $0.05 per share to close the acquisition of the Sleeping Giant South property.

(ii) On March 31, 2021, the Company issued 3,657,000 common shares at $0.10 per share for gross proceeds of $365,700.

(iii) On April 30, 2021, the Company issued 3,094,000 common shares, valued at $0.10 per share, for debt settlement of $376,300, of which, $80,000 was due to related parties. The Company recognized $66,900 gain on debt forgiveness in connection with the transaction.

(iv) On November 16, 2021, the Company issued 161,212 common shares, valued at $0.10 per share for debt settlement of $16,122.

(v) On December 21, 2021, the Company issued 2,601,500 flow through shares at $0.17 per share for gross proceeds of $442,255 with flow through share premium of $52,030.

Fiscal 2023 Transactions:

(vi) On June 29, 2022, the Company issued 2,276,667 units at $0.12 per unit, each unit comprises one share and one half warrant, with each whole warrant exercisable at $0.20 for a period of one year for gross proceeds of $273,200.

(vii) On December 19, 2022, the Company issued 2,500,000 flow through units at $0.085 per unit, each unit comprises one share and one half warrant, with each whole warrant exercisable at $0.12 for a period of two years for gross proceeds of $212,500 with flow through share premium of $50,000.

(viii) On March 24, 2023, the Company issued 3,048,750 units at $0.08 per unit, each unit comprises one share and one whole warrant exercisable at $0.12 for a period of two years for gross proceeds of $243,900.

(ix) On March 30, 2023, the Company issued 2,250,000 flow through units at $0.10 per unit, each unit comprises one share and one whole warrant exercisable at $0.15 for a period of one year for gross proceeds of $225,000 with flow through share premium of $45,000.

(Expressed in Canadian dollars)

NOTE 4 – SHARE CAPITAL (continued)

b) Stock Options

The Company has a stock option plan (the "Plan") under which the directors of the Company may grant options to acquire common shares of the Company to directors and officers, employees, and consultants of the Company. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant. The options vest immediately unless otherwise specified. The maximum number of options granted may not exceed 10% of the issued and outstanding shares.

The following table summarizes the stock option activity for the 15 month period ended March 31, 2023 and the year ended December 31, 2021:

December 31, 2021 and 2020	Granted	Exercised	Expired Unexercised	Cancelled	March 31, 2023	Exercise Price	Expiry Date
-	1,330,000	-	-	(325,000)	1,005,000	$0.14	January 5, 2027
-	250,000	-	-	-	250,000	$0.14	January 5, 2027
-	250,000	-	-	-	250,000	$0.14	February 10, 2027
-	1,175,000	-	-	-	1,175,000	$0.10	February 22, 2028
-	**3,255,000**	**-**	**-**	**(325,000)**	**2,680,000**	**$0.12**	

(i) On January 05, 2022, the Company granted 1,330,000 stock options to directors, officers, and consultants of the Company at an exercise price of $0.14. The options expire five years from the date of grant and vested immediately. A fair value of $180,200 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate – 1.42%; expected volatility - 133%); dividend yield - nil; expected life - five years; and share price at date of grant - $0.155. On July 11, 2022, two Directors resigned and as per the Company's stock option plan, their options totalling 325,000 stock options, expired.

(ii) On February 10, 2022, the Company granted 250,000 stock options to advisory committee members of the Company at an exercise price of $0.14. The options expire five years from the date of grant and vested immediately. A fair value of $35,000 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate – 1.81%; expected volatility - 132%; dividend yield - nil; expected life - five years; and share price at date of grant - $0.155

(iii) On April 28, 2022, the Company granted 250,000 stock options to an advisory committee member of the Company at an exercise price of $0.14. The options expire January 5, 2027 and vested immediately. A fair value of $28,800 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate – 2.82%; expected volatility - 131%; dividend yield - nil; expected life – 4.68 years; and share price at date of grant - $0.135

(iv) On February 24, 2023, the Company granted 1,175,000 stock options to directors, officers, and consultants of the Company at an exercise price of $0.10. The options expire in February 22, 2028 and vested immediately. A fair value of $101,801 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate – 3.59%; expected volatility - 130%; dividend yield - nil; expected life - five years; and share price at date of grant - $0.10.

The following weighted average assumptions were used for calculating the share-based compensation in the 15 month period ended March 31, 2023 and the year ended December 31, 2021:

	2023	**2021**
Stock price volatility	131.58%	-
Risk-free interest rate	2.46%	-
Expected life of options	4.97 years	-
Expected dividend yield	0.00%	-

(Expressed in Canadian dollars)

NOTE 4 – SHARE CAPITAL (continued)

c) Warrants

Details of warrants activity for the 15 month period ended March 31, 2023 and the year ended December 31, 2021 are as follows

December 31, 2021	Issued	Exercised	Expired	March 31, 2023	Exercise Price	Expiry Date
195,113	-	-	(195,113)	-	$0.17	December 21, 2022
-	1,138,333	-	-	1,138,333	$0.20	June 29, 2023*
-	1,450,000	-	-	1,450,000	$0.12	December 19, 2024
-	3,088,750	-	-	3,088,750	$0.12	March 24, 2025
-	2,407,500	-	-	2,407,500	$0.15	March 30, 2024
195,113	**8,084,583**	**-**	**(195,113)**	**8,084,583**	**$0.14**	

December 31, 2020	Issued	Exercised	Expired	December 31, 2021	Exercise Price	Expiry Date
-	195,113	-	-	195,113	0.17	December 21, 2022
-	**195,113**	**-**	**-**	**195,113**	**0.17**	

* expired subsequently

The following weighted average assumptions were used in calculating the fair value of warrants issued in the 15 month period ended March 31, 2023 and the year ended December 31, 2021:

	2023	2021
Stock price volatility	132.93%	100%
Risk-free interest rate	3.16%	0.94%
Expected life of warrants	1.56 years	1.00 years
Expected dividend yield	0.00%	0.00%

NOTE 5 – RELATED PARTY TRANSACTIONS AND BALANCES

As at March 31, 2023, the Company has a balance due to directors and officers of $33,841 (December 31, 2021 - $ Nil).

Directors and Officers were paid an aggregate of $147,909 as directors' fees and consulting fees for the 15 month period ended March 31, 2023 (December 31, 2021 - $17,500)

A family member of one of the Directors of the Company was paid $22,500 for consulting fees for the 15 month period ended March 31, 2023 (December 31, 2021 – $5,250).

Key management personnel compensation

Key management personnel consist of officers and directors of the Company. Remuneration of key management personnel was $348,385 ($147,909 for directors' fees and consulting fees and $200,476 for share-based compensation) for the 15 month period ended March 31, 2023 (December 31, 2021 - $17,500).

On April 30, 2021, the Company issued 800,000 common shares valued at $80,000 to the Director's of the Company in connection with the debt settlements of $80,000 (Note 4).

(Expressed in Canadian dollars)

NOTE 6 - EXPLORATION AND EVALUATION ASSETS

The company's exploration and evaluation properties were as follows:

	Sleeping Giant South Property ($)	Total ($)
Balance, December 31, 2020	**221,401**	**221,401**
Geology	50,918	50,918
Geophysics	8,078	8,078
Environmental & Permitting	1,550	1,550
Additions	60,545	60,545
Balance, December 31, 2021	**281,946**	**281,946**
Geology	303,579	303,579
Geophysics	131,737	131,736
Environmental & Permitting	7,039	7,039
Additions	442,355	442,354
Balance, March 31, 2023	**724,301**	**724,301**

LMM Property

Muzhu Mining Ltd. has formed a strategic alliance through its wholly owned subsidiary, Luoyang Sow International Mining Company Ltd., with Luoning County Muzhu Mountain Lead and Silver Mine Company Ltd., within the Luoning county, Henan province of China, which owns a property contiguous to the north of Muzhu Mining's option agreement with the XWG silver property. The parties agree to explore and develop the Niujuangou Mine area where the Company has incurred $39,619 (2021 - $ Nil) in property investigation costs related to the property.

XWG Property

On November 22, 2021, the Company entered into, and renewed on November 23, 2022 an option agreement with Lingbao Yida Mining Co., Ltd., ("Lingbao") a private Chinese company, to acquire an undivided 60% interest in the Xia Wa Gou (XWG) mining property, located in the Province of Henan, People's Republic of China.

Pursuant to the terms of the option agreement, the Company is required to:

(a) incur minimum expenditures on the property of not less than an aggregate of $3,000,000 according to the following schedule:

- (i) $500,000 prior to the first anniversary of the Effective Date;
- (ii) an additional $1,000,000 prior to the second anniversary of the Effective Date;
- (iii) an additional $1,500,000 prior to the third anniversary of the Effective Date;

(b) issuing and delivering to Lingbao an aggregate of 3,750,000 common shares according to the following schedule:

- (i) 250,000 common shares upon approval and signing by both parties, subject to Exchange Approval or Regulatory Approval (not yet issued);
- (ii) 1,000,000 common shares prior to the first anniversary of the Effective Date;
- (iii) 1,000,000 common shares prior to the second anniversary of the Effective Date; and
- (iv) 1,500,000 common shares prior to the third anniversary of the Effective Date.

As at March 31, 2023, the Company has not completed any of the above terms, and has expensed $1,470 (2021 - $ Nil) to property investigation costs related to the property.

(Expressed in Canadian dollars)

NOTE 6 - EXPLORATION AND EVALUATION ASSETS (continued)

Sleeping Giant South Property

On November 10, 2020 the Company entered into a purchase agreement with North American Exploration inc. and Silverwater Capital Corp., private Canadian companies, to acquire a 100% interest in the Sleeping Giant South Property (the "Property"), in the Quevillon Mining Camp in Quebec. The Company has completed the purchase agreement in fiscal 2021.

Pursuant to the terms of the purchase agreement, the Company is required to:

(i) Make a cash payment of $7,888 on or before December 31, 2020 (paid);
(ii) Issue 3,500,000 common shares of the Company on or before December 31, 2020 (issued at value of $175,000); and
(iii) Pay a net smelter returns royalty ("NSR") equal to 3%.

The Property is subject to:

- an option to purchase one-third of the NSR from North American Exploration Inc. and Silverwater Capital Corp. at any time for the sum of $500,000; and
- North American Exploration Inc. and Silverwater Capital Corp. shall be paid 20% of the proceeds received on the sale of the Property to a third party.

NOTE 7 – FLOW-THROUGH SHARE PREMIUM LIABILITY

	$
Balance, December 31, 2020	-
Flow-through premium liability additions	52,030
Balance, December 31, 2021	**52,030**
Flow-through premium liability additions	95,000
Settlement of flow-through premium liability to qualifying expenditures	(52,030)
Balance, March 31, 2023	**95,000**

Pursuant to the flow-through agreements, the Company is obligated to incur qualifying exploration costs of $437,500 on its property in Canada.

NOTE 8 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties. The carrying value of these financial instruments approximates their fair values due to their immediate or short-term maturity.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	March 31, 2023
Cash	$ 543,668	–	–	$ 543,668

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	December 31, 2021
Cash	$ 658,858	–	–	$ 658,858

NOTE 8 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Management of Risks Arising From Financial Instruments

The Company is exposed to various types of market risks including liquidity risk, credit risk, interest rate risk, political risk, foreign currency fluctuation risk, and commodity price risk. This is not an exhaustive list of all risks, nor will the mitigation strategies eliminate all risks listed.

(i) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash or through the issuance of common shares. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year. The Company is exposed to liquidity risk.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and GST receivable. Cash is held with a major Canadian financial institution in Canada and the Bank of China in China and the receivables are due from Government entities. Management is of the view that all amounts are fully collectible.

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

(iv) Political Risk

The Company has a subsidiary in the People's Republic of China. These operations are potentially subject to a number of political, economic and other risks that may affect the Company's future operations and financial position.

(v) Foreign Currency Fluctuation Risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs and vendors are primarily in Canada and the People's Republic of China. Any fluctuations of the Canadian dollar in relation to the Chinese Yuan may affect the profitability of the Company and the value of the Company's assets and liabilities.

(vi) Commodity Price Risk

The Company's future success is linked to the price of minerals, because the value of mineral resources and the Company's future potential revenues are tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.

(Expressed in Canadian dollars)

NOTE 9 – SEGMENTED INFORMATION

a) Operating Segment

The Company's operations are primarily directed towards the acquisition of mineral properties and exploration for metals in Canada and the People's Republic of China.

The Company's geographic information as at March 31, 2023 and December 31, 2021 are as follows:

	Canada ($)	China ($)	Total ($)
Balance, December 31, 2020	**221,401**	**-**	**221,401**
Assets			
Mineral properties	60,545	-	60,545
Balance, December 31, 2021	**281,946**	**-**	**281,946**
Assets			
Mineral properties	442,355	-	442,355
Balance, March 31, 2023	**724,301**	**-**	**724,301**

NOTE 10 – CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the period ended March 31, 2023. The Company is not subject to externally imposed capital requirements. The Company may raise additional debt or equity financing in the near future to meet its obligations.

NOTE 11 – LOSS PER SHARE

The calculation of basic loss per share for the 15 month period ended March 31, 2023 and the year ended December 31, 2021 was based on total loss attributable to common shareholders of $999,225 (December 2021 - $205,390) and a weighted average number of common shares outstanding of 24,316,758 (December 2021 – 16,955,589).

Diluted loss per share equals basic loss per share as all outstanding options and warrants were anti-dilutive for all periods presented.

(Expressed in Canadian dollars)

NOTE 12 – INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2023		2021
Loss for the period	$	(999,225)	$	(205,390)
Expected income tax (recovery)	$	(270,000)	$	(55,455)
Change in statutory, foreign tax, foreign exchange rates and other		9,000		-
Permanent differences		79,000		2,475
Impact of flow through share		119,000		-
Share issue cost		(5,000)		(11,805)
Adjustment to prior years provision versus statutory tax returns and expiry		(60,000)		-
Change in unrecognized deductible temporary differences		128,000		64,785
Total Income tax expense (recovery)	**$**	**-**	**$**	**-**
Current income tax	**$**	**-**	**$**	**-**
Deferred tax recovery	**$**	**-**	**$**	**-**

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		2023		2021
Deferred tax assets (liabilities)				
Exploration and evaluation assets	$	-	$	50,982
Share issue costs		18,000		9,444
Non-capital losses		368,000		197,917
		386,000		258,343
Unrecognized deferred tax assets		(386,000)		(258,343)
Net deferred tax assets	**$**	**-**	**$**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2023	Expiry Date Range	2021	Expiry Date Range
Temporary Differences				
	$		$	
Share issue costs	68,000	2043 to 2047	-	No expiry date
Non-capital losses	1,371,000	2038 to 2043	733,025	2038 to 2041
Canada	1,244,000	2038 to 2043	733,025	2038 to 2041
China	127,000	2027		

NOTE 13 – SUBSEQUENT EVENTS

Subsequent to March 31, 2023, the Company completed a non-brokered private placement and issued 3,421,670 units at $0.08 per unit, with each unit comprising one share and one warrant, for gross proceeds of $273,734, of which $65,485 was received during fiscal 2023. Each warrant is exercisable at $0.12 for a period of two years. Finder's fees of $960 were paid and 12,000 finder's warrants were issued, with each warrant exercisable at $0.12 for a period of two years.