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**BRASCAN RESOURCES INC.**  
**(formerly Brascan Gold Inc.)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the three months ended March 31, 2023**

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

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**NOTICE OF NO AUDITOR REVIEW OF THE  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company for the three months ended March 31, 2023 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

**BRASCAN RESOURCES INC.****(formerly Brascan Gold Inc.)**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

	Note	March 31, 2023 \$	December 31, 2022 \$
<b>ASSETS</b>			
CURRENT			
Cash		5,941	215,442
Amounts receivable		-	-
Prepaid expenses		147,500	101,625
		153,441	317,067
NON-CURRENT			
Exploration and evaluation assets	6	854,674	661,500
Total assets		1,008,115	978,567
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
CURRENT			
Accounts payable and accrued liabilities	8	33,583	31,732
Loan payable	8	10,000	-
Total liabilities		43,583	31,732
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	3,643,430	3,514,930
Share-based reserves	7	521,820	521,820
Deficit		(3,200,718)	(3,089,915)
Total shareholders' equity		964,532	946,835
Total liabilities and shareholders' equity		1,008,115	978,567

Nature of operations and continuance of business (Note 1)

Subsequent events (Note 12)

Approved and authorised for issuance on behalf of the Board on May 30, 2023:

"Balbir Johal"

Balbir Johal, Director

"Bernhard Klein"

Bernhard Klein, Director

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

**BRASCAN RESOURCES INC.****(formerly Brascan Gold Inc.)**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

		Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
	Note		
<b>Expenses</b>			
Advertising and promotion		6,050	277,245
Consulting fees	8	55,125	158,134
Exploration and evaluation expenditures	6	23,098	220,274
General and administrative		1,829	15,492
Professional fees		13,971	25,710
Share-based compensation	7, 8	-	103,000
Transfer agent and filing fees		10,730	38,679
Travel		-	7,569
Total expenses		(110,803)	(846,103)
<b>Net loss and comprehensive loss</b>		<b>(110,803)</b>	<b>(846,103)</b>
Loss per share, basic and diluted		(0.00)	(0.04)
Weighted average number of shares outstanding		41,546,946	22,414,791

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

**BRASCAN RESOURCES INC.**  
**(formerly Brascan Gold Inc.)**

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
For the three months ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)  
(Unaudited - Prepared by Management)

	Share capital		Share subscriptions received (receivable) \$	Share-based reserves \$	Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$				
<b>Balance, December 31, 2021</b>	<b>20,002,902</b>	<b>1,906,522</b>	<b>316,800</b>	<b>381,018</b>	<b>(1,036,022)</b>	<b>1,568,318</b>
Shares issued in private placement	3,401,266	1,020,380	(326,940)	-	-	693,440
Share issuance costs	-	(50,100)	-	26,000	-	(24,100)
Shares issued for mineral properties	125,000	65,500	-	-	-	65,500
Share based compensation	-	-	-	103,000	-	103,000
Net and comprehensive loss	-	-	-	-	(846,103)	(846,103)
<b>Balance, March 31, 2022</b>	<b>23,529,168</b>	<b>2,942,302</b>	<b>(10,140)</b>	<b>510,018</b>	<b>(1,882,125)</b>	<b>1,560,055</b>
<b>Balance, December 31, 2022</b>	<b>40,729,168</b>	<b>3,514,930</b>	-	<b>521,820</b>	<b>(3,089,915)</b>	<b>946,835</b>
Shares issued for mineral properties	3,100,000	128,500	-	-	-	128,500
Net and comprehensive loss	-	-	-	-	(110,803)	(110,803)
<b>Balance, March 31, 2023</b>	<b>43,829,168</b>	<b>3,643,430</b>	-	<b>521,820</b>	<b>(3,200,718)</b>	<b>964,532</b>

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

**BRASCAN RESOURCES INC.**  
**(formerly Brascan Gold Inc.)**

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

	Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	(110,803)	(846,103)
Items not involving cash:		
Share-based compensation	-	103,000
Changes in non-cash working capital:		
Amounts receivable	-	400
Prepaid expenses and deposits	(45,875)	(61,080)
Accounts payable and accrued liabilities	1,851	(87,238)
Due to related parties	-	-
Net cash used in operating activities	(154,827)	(891,021)
<b>INVESTING ACTIVITIES</b>		
Acquisition of exploration and evaluation assets	(64,674)	(30,000)
Net cash used in investing activities	(64,674)	(30,000)
<b>FINANCING ACTIVITIES</b>		
Loan received	10,000	-
Proceeds from issuance of common shares	-	693,440
Share issuance costs	-	(24,100)
Net cash provided by financing activities	10,000	669,340
Change in cash	(209,501)	(251,681)
Cash, beginning of year	215,442	1,623,559
<b>Cash, end of year</b>	<b>5,941</b>	<b>1,371,878</b>
<b>Supplemental cash flow information:</b>		
Cash paid for interest	-	-
Cash paid for income taxes	-	-
<b>Non-cash investing and financing activities:</b>		
Fair value of brokers' warrants granted	-	26,000
Fair value of shares issued for mineral properties	128,500	65,500

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

**BRASCAN RESOURCES INC.**  
**(formerly Brascan Gold Inc.)**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2023

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

**1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS**

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Brascan Resources Inc. (formerly Brascan Gold Inc.) (the “Company”) was incorporated July 6, 2018 in the Province of British Columbia. The Company’s head office is located at 1000-409 Granville Street Vancouver, BC, V6C 1T2. The Company’s registered and records office address is Suite 620, 1111 Melville Street, Vancouver, British Columbia, V6E 3V6. On April 3, 2023, the Company changed its name from Brascan Gold Inc. to Brascan Resources Inc. The Company’s shares trade on the Canadian Securities Exchange under the trading symbol “BRAS.”

The Company is engaged in the identification, exploration and development of mineral resources, specifically focusing on lithium and gold exploration activities on its properties in Newfoundland and Brazil.

On December 16, 2022, the Company acquired a 25% interest in North Atlantic Aggregates Inc. (“NAAI”), a company focused on completing exploration programs on the Iceberg Vanadium, Titanium, and Magnetite Project in Newfoundland. See Note 5 for additional details.

On December 8, 2022, the Company acquired 100% of the issued and outstanding shares of 1000348637 Ontario Inc. to acquire mineral claims common referred to as the “Albany Folks” property, covering 2,376 hectares in the Porcupine mining division in the James Bay Lowlands in Ontario. See Note 5 for additional details.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. During the three months ended March 31, 2023, the Company had no revenues, incurred a net loss of \$110,803, and had negative cash flows from operations. As at March 31, 2023, the Company had accumulated losses of \$3,200,718. The Company’s future capital requirements will depend on many factors, including the costs of exploring and developing its exploration and evaluation assets, operating costs, the current capital market environment, and global market conditions.

The Company’s ability to meet its obligations and maintain its current operations through the ensuing twelve-month period and thereafter is contingent upon successful completion of additional financing arrangements and ultimately upon the discovery of proven reserves and generating profitable operations. Failure to do so would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses, and the consolidated statement of financial position classifications used. The effects of such adjustments could be material.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2023

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(Unaudited - Prepared by Management)

**2. BASIS OF PRESENTATION**

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a) Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*.

The condensed interim consolidated financial statements were authorized for issue by the Audit Committee and approved and authorized for issue by the Board of Directors on May 30, 2023.

b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary at the end of the reporting period:

	<b>Incorporated</b>	<b>Nature</b>	<b>Ownership March 31, 2023</b>	<b>Ownership December 31, 2022</b>
1000348637 Ontario Inc.	Ontario	Exploration	100%	100%
Baie Verte Resources Inc.	British Columbia	Exploration	100%	100%
Brascan Aggregates Inc.	British Columbia	Exploration	100%	100%
North Atlantic Aggregates Inc.	British Columbia	Exploration	25%	25%

The results of the wholly owned subsidiary will continue to be included in the condensed interim consolidated financial statements of the Company until the date that the Company’s control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements for the year ended December 31, 2022. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2022.

**BRASCAN RESOURCES INC.**  
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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2023

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(Unaudited - Prepared by Management)

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

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The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### *Significant judgments*

Management has made critical judgments in the process of applying accounting policies. The one has the most significant effect on the amounts recognized in the financial statements include:

- i. The assessment of the Company's ability to continue as a going concern and its ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 1.
- ii. The carrying value of exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available
- iii. The determination of whether a set of assets acquired, and liabilities assumed in an acquisition constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or economic benefits. The acquisitions of 1000348637 Ontario Inc. and North Atlantic Aggregates Inc., as described in Note 5, did not constitute a business, and was accounted for as an asset acquisition transaction.

##### *Significant estimates*

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and next fiscal financial years:

- i. The Company uses the Black-Scholes option pricing model to value options and warrants granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual.
- ii. The Company uses the market price of the Company's common shares based on the end-of-day trading price to record the fair value of common shares for share-based compensation purposes.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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**5. ACQUISITIONS**

**Acquisition of 1000348637 Ontario Inc.**

On November 23, 2022, the Company signed a share exchange agreement with 1000348637 Ontario Inc. ("637 Ontario") to acquire 100% of the issued and outstanding shares of 637 Ontario to attain the rights to a lease of a mineral property comprising of approximately 2,376 hectares of mineral rights located in in the Porcupine mining division, 365 km northwest of the town of Timmins, ON, in the James Bay Lowlands, commonly referred to as the "Albany Forks" project.

On December 8, 2022, the Company completed the acquisition of all of the issued and outstanding shares of 637 Ontario in exchange for the issuance of 6,500,000 common shares with a fair value of \$162,500.

At the date of acquisition, the Company determined that 637 Ontario did not constitute a business as defined under IFRS 3, *Business Combinations*, and the 637 Ontario acquisition was accounted for as an asset acquisition. The consideration paid was determined as an equity share-based payment under IFRS 2, *Share-based Payment*, and recognized at the fair value of the common shares of the Company on the date of issuance of \$0.025 per share.

The purchase price allocation of the assets acquired of 637 Ontario are:

<b>Consideration paid:</b>	
Fair value of 6,500,000 common shares at \$0.025 per share	\$ 162,500
<b>Net assets acquired</b>	
Exploration and evaluation asset	\$ 162,500

**Acquisition of North Atlantic Aggregates Inc. ("NAAI")**

On August 23, 2022, the Company entered into a share exchange agreement with NAAI to acquire 25% interest in the issued and outstanding shares of NAAI. As consideration to NAAI, the Company issued 10,000,000 common shares to the existing shareholders of NAAI on December 16, 2022 in exchange for 25% of the share capital of NAAI, which included 12.5% of the common shares held by the spouse of the CEO of the Company. As a result of the acquisition, the Company and the spouse of the CEO of the Company collectively held 62.5% of the voting common shares of NAAI, which constituted a change of control. From the Company's acquisition date on December 16, 2022, NAAI is consolidated as a 62.5% owned subsidiary. NAAI is focused on completing exploration programs on the Concrete Stone Quarry and Ilmenite Property in Newfoundland.

At the date of acquisition, the Company determined that NAAI did not constitute a business as defined under IFRS 3, *Business Combinations*, and the NAAI acquisition was accounted for as an asset acquisition. The consideration paid was determined as an equity share-based payment under IFRS 2, *Share-based Payment*, and recognized at the fair value of the common shares of the Company on December 16, 2022 (the date of issuance) at a price of \$0.04 per share for fair value of \$400,000.

The purchase price allocation of the assets acquired of NAAI are:

<b>Consideration paid:</b>	
Fair value of 10,000,000 common shares at \$0.04 per share	\$ 400,000
<b>Net assets acquired (liabilities)</b>	
Exploration and evaluation asset	\$ 400,000

**BRASCAN RESOURCES INC.**  
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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2023

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(Unaudited - Prepared by Management)

**6. EXPLORATION AND EVALUATION ASSETS**

Acquisition Costs

During the three months ended March 31, 2023, the Company made acquisition and property option payments equal to \$178,500 (year ended December 31, 2022 - \$110,500). See table below for a breakdown of acquisition and property option payments by geographic region.

	Brazil \$	Ontario \$	Quebec \$	Newfoundland \$	Total \$
<b>Acquisition costs:</b>					
Balance, December 31, 2021	-	-	-	32,750	32,750
Additions	68,000	162,500	-	446,500	677,000
Impairment	-	-	-	(48,250)	(48,250)
Balance, December 31, 2022	68,000	162,500	-	431,000	661,500
Additions	178,500	-	14,674	-	193,174
Balance, March 31, 2023	246,500	162,500	-	431,000	661,500
<b>Carrying amounts:</b>					
Balance, December 31, 2022	68,000	162,500	-	431,000	661,500
Balance, March 31, 2023	246,500	162,500	14,674	431,000	854,674

Exploration Expenditures

During the three months ended March 31, 2023, the Company incurred exploration expenditures of \$23,098 (December 31, 2022 - \$801,716) as follows:

	BC \$	Brazil \$	Ontario \$	Newfoundland \$	Total \$
Consulting	-	15,000	-	-	15,000
Geological and geophysical	-	6,000	-	-	6,000
Tenure and acquisitions	-	-	-	2,098	2,098
Balance, March 31, 2023	-	21,000	-	2,098	23,098

	BC \$	Brazil \$	Ontario \$	Newfoundland \$	Total \$
Analytical	-	11,043	-	2,166	13,209
Consulting	-	37,780	-	-	37,780
Equipment rentals	-	-	-	92,090	92,090
Geochemical	-	-	-	11,453	11,453
Geological and geophysical	579	284,563	-	112,597	397,739
Labour	-	-	-	183,400	183,400
Tenure and acquisitions	-	5,775	-	14,525	20,300
Travel, transportation, and camp	-	13,327	-	32,418	45,745
Balance, December 31, 2022	579	352,488	-	448,649	801,716

**BRASCAN RESOURCES INC.**  
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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2023

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

**6. EXPLORATION AND EVALUATION ASSETS (continued)**

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Middle Arm Fault Property, Newfoundland

On October 15, 2021, the Company entered into an option agreement with Jason Flight, Wayne Hurley, Kenneth Lewis, and Daniel Jacobs (the "Vendors") to acquire a 100% interest in the Middle Arm Fault Property located in the Baie Verte region of Newfoundland. To earn the 100% interest, the Company is required to make cash payments of \$168,000 and issue 670,000 common shares of the Company as follows:

- \$5,000 (paid) and issue 25,000 common shares (issued) of the Company on execution of the agreement;
- \$27,000 and issue 95,000 common shares of the Company on or before October 15, 2022;
- \$24,000 and issue 100,000 common shares of the Company on or before October 15, 2023;
- \$32,000 and issue 150,000 common shares of the Company on or before October 15, 2024; and
- \$80,000 and issue 300,000 common shares of the Company on or before October 15, 2025.

In addition, the Company is required to incur exploration expenditures of \$725,000 on the property over a period of four years as follows:

- \$75,000 on or before October 15, 2022;
- An additional \$150,000 on or before October 15, 2023;
- An additional \$200,000 on or before October 15, 2024; and
- An additional \$300,000 on or before October 15, 2025.

The agreement is subject to a 2.5% NSR to the Middle Arm Vendors, payable upon the commencement of commercial production. The Company has the right to purchase 1.5% of the NSR for \$2,000,000. As at December 31, 2022, the Company elected to discontinue future exploration work on the property and recognized an impairment loss of \$16,000. On March 8, 2023, the Company terminated the option agreement.

Black Cat Property, Newfoundland

On December 7, 2021, the Company entered into an option agreement with Jason Flight, Wayne Hurley, Kenneth Lewis, Peter Hurley, Garland Rice, and Daniel Jacobs (the "Vendors") to acquire a 100% interest in the Black Cat Property located in the Baie Verte region of Newfoundland. To earn the 100% interest, the Company is required to make cash payments of \$168,000 and issue 670,000 common shares of the Company as follows:

- \$5,000 (paid) and issue 25,000 common shares (issued) of the Company on execution of the agreement;
- \$27,000 and issue 95,000 common shares of the Company on or before December 7, 2022;
- \$24,000 and issue 100,000 common shares of the Company on or before December 7, 2023;
- \$32,000 and issue 150,000 common shares of the Company on or before December 7, 2024; and
- \$80,000 and issue 300,000 common shares of the Company on or before December 7, 2025.

In addition, the Company is required to incur exploration expenditures of \$725,000 on the property over a period of four years as follows:

- \$75,000 on or before December 7, 2022 (completed);
- An additional \$150,000 on or before December 7, 2023;
- An additional \$200,000 on or before December 7, 2024; and
- An additional \$300,000 on or before December 7, 2025.

The Company has to pay a 2.5% net smelter royalty (NSR) to the Vendors payable upon the commencement of commercial production and the Company has the right to purchase 1.5% of the NSR for \$2,000,000. As at December 31, 2022, the Company elected to discontinue future exploration work on the property and recognized an impairment loss of \$16,750. On March 8, 2023, the Company terminated the option agreement.

**BRASCAN RESOURCES INC.**  
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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2023

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

**6. EXPLORATION AND EVALUATION ASSETS (continued)**

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Miguels Lake, Newfoundland

On February 10, 2022, through its subsidiary Baie Verte Resources Inc., the Company executed an option agreement with third-party vendors to acquire an undivided 100% interest in the Miguels Lake Property, located in the Baie Verte region of Newfoundland. To earn the 100% interest, the Company is required to make cash payments of \$168,000 and issue 670,000 common shares of the Company as follows:

- \$5,000 (paid) and issue 25,000 common shares (issued) of the Company on execution of the agreement;
- \$27,000 and issue 95,000 common shares of the Company on or before February 10, 2023;
- \$24,000 and issue 100,000 common shares of the Company on or before February 10, 2024;
- \$32,000 and issue 150,000 common shares of the Company on or before February 10, 2025; and
- \$80,000 and issue 300,000 common shares of the Company on or before February 10, 2026.

In addition, the Company is required to incur exploration expenditures of \$725,000 on the property over a period of four years as follows:

- \$75,000 on or before February 10, 2023;
- An additional \$150,000 on or before February 10, 2024;
- An additional \$200,000 on or before February 10, 2025; and
- An additional \$300,000 on or before February 10, 2026.

The agreement is subject to a 2.5% NSR, which is payable upon the commencement of commercial production. The Company has the right to purchase 1.5% of the NSR for \$2,000,000.

Mountain Pond, Newfoundland

On February 10, 2022, through its subsidiary Baie Verte Resources Inc., the Company executed an option agreement with third-party vendors to acquire an undivided 100% interest in the Mountain Pond Property, located in the Baie Verte region of Newfoundland. To earn the 100% interest, the Company is required to make cash payments of \$168,000 and issue 670,000 common shares of the Company as follows:

- \$5,000 (paid) and issue 25,000 common shares (issued) of the Company on execution of the agreement;
- \$27,000 and issue 95,000 common shares of the Company on or before February 10, 2023;
- \$24,000 and issue 100,000 common shares of the Company on or before February 10, 2024;
- \$32,000 and issue 150,000 common shares of the Company on or before February 10, 2025; and
- \$80,000 and issue 300,000 common shares of the Company on or before February 10, 2026.

In addition, the Company is required to incur exploration expenditures of \$725,000 on the property over a period of four years as follows:

- \$75,000 on or before February 10, 2023 (completed);
- An additional \$150,000 on or before February 10, 2024;
- An additional \$200,000 on or before February 10, 2025; and
- An additional \$300,000 on or before February 10, 2026.

The agreement is subject to a 2.5% NSR, which is payable upon the commencement of commercial production. The Company has the right to purchase 1.5% of the NSR for \$2,000,000.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2023

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

**6. EXPLORATION AND EVALUATION ASSETS (continued)**

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Birchy Lake, Newfoundland

On February 10, 2022, through its subsidiary Baie Verte Resources Inc., the Company executed an option agreement with third-party vendors to acquire an undivided 100% interest in the Birchy Lake Property, located in the Baie Verte region of Newfoundland. To earn the 100% interest, the Company is required to make cash payments of \$168,000 and issue 670,000 common shares of the Company as follows:

- \$5,000 (paid) and issue 25,000 common shares (issued) of the Company on execution of the agreement;
- \$27,000 and issue 95,000 common shares of the Company on or before February 10, 2023;
- \$24,000 and issue 100,000 common shares of the Company on or before February 10, 2024;
- \$32,000 and issue 150,000 common shares of the Company on or before February 10, 2025; and
- \$80,000 and issue 300,000 common shares of the Company on or before February 10, 2026.

In addition, the Company is required to incur exploration expenditures of \$725,000 on the property over a period of four years as follows:

- \$75,000 on or before February 10, 2023 (completed);
- An additional \$150,000 on or before February 10, 2024;
- An additional \$200,000 on or before February 10, 2025; and
- An additional \$300,000 on or before February 10, 2026.

The agreement is subject to a 2.5% NSR, which is payable upon the commencement of commercial production. The Company has the right to purchase 1.5% of the NSR for \$2,000,000. As at December 31, 2022, the Company elected to discontinue future exploration work on the property and recognized an impairment loss of \$15,500. On February 10, 2023, the Company terminated the option agreement.

Alegre Property, Brazil

On November 22, 2021, the Company entered into an option agreement with Chapada Brasil Mineracao Ltda. ("Chapada") to acquire a 100% interest in the Alegre Property located in the Chachoeira do Piria region of Brazil for cash payments of \$400,000 and the issuance of 800,000 common shares of the Company as follows:

- \$30,000 (paid) and issue 50,000 common shares (issued) of the Company on the execution of the agreement;
- \$50,000 and issue 100,000 (issued subsequent to year-end) common shares within five days of completing a Phase I exploration program;
- \$100,000 and issue 200,000 common shares within five days of completing a Phase II exploration program; and
- \$220,000 and issue 450,000 common shares within five days of completing a Phase III exploration program.

In addition, the Company is required to incur exploration expenditures on the property as follows:

- Complete a \$250,000 Phase I exploration program on or before July 30, 2022 (completed);
- Within one year of completing the Phase I exploration program, commence an additional \$250,000 Phase II exploration program; and
- Within one year of completing the Phase II exploration program, commence an additional \$500,000 Phase III exploration program.

The agreement is subject to a 2% NSR, which is payable upon the commencement of commercial production. The Company has the right to purchase 1% of the NSR for \$1,000,000.

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**6. EXPLORATION AND EVALUATION ASSETS (continued)**

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Parana Cu, Brazil

On June 17, 2022, the Company executed a letter of intent with a third-party vendor to acquire an undivided 100% interest in the Parana Cu Property, located in the Parana state region of Brazil. To earn the 100% interest, the Company is required to make cash payments of \$4,000, issue \$70,000 worth of common shares of the Company and incur exploration expenditures of \$50,000 of the Company as follows:

- \$4,000 (paid) on execution of the agreement; and
- Issue \$70,000 worth of common shares of the Company on or before June 17, 2023.

In addition, the Company is required to incur exploration expenditures of \$75,000 on or before June 17, 2023. If the exploration expenditure requirement is not met, Brascan must pay a penalty of \$10,000, which is pro-rated relative to the amount of exploration expenditures incurred on the property.

The agreement is subject to a 2% NSR, which is payable upon the commencement of commercial production. The Company has the right to purchase 1% of the NSR for \$1,000,000.

Brasil-Li 1, Brazil

On February 13, 2023, the Company executed an option agreement with third-party vendors to acquire an undivided 100% interest in the Brasil-Li 1 Property, located in Minas Gerais in Brazil for cash payments of \$125,000, the issuance of 2,500,000 common shares of the Company, and completing a minimum of \$100,000 in exploration expenditures on the property as follows:

- \$25,000 (paid) and issue 1,000,000 common shares (issued) of the Company within 5 days of commencement of the agreement;
- \$25,000 and issue 1,000,000 common shares of the Company on or before September 20, 2023;
- \$25,000 and issue 500,000 common shares of the Company on or before September 20, 2024; and
- \$50,000 on September 21, 2024.

The Company is required to incur exploration expenditures of \$100,000 on the property on or before September 20, 2023.

The optionors will retain a 2% NSR with the Company having the option to repurchase 1% of the NSR for a cash payment of \$500,000 for a period of two years after the commencement of commercial production.

Brasil-Li 2, Brazil

On March 6, 2023, the Company executed an option agreement with third-party vendors to acquire an undivided 100% interest in the Brasil-Li 2 Property, located in Minas Gerais in Brazil, for cash payments of \$200,000, the issuance of 5,000,000 common shares of the Company, and completing a minimum of \$200,000 in exploration expenditures on the property as follows:

- \$50,000 (partially paid) and issue 2,000,000 common shares (issued) of the Company within 5 days of commencement of the agreement;
- \$50,000 and issue 2,000,000 common shares of the Company on or before September 20, 2023;
- \$50,000 and issue 1,000,000 common shares of the Company on or before September 20, 2024; and
- \$50,000 on September 21, 2024.

The Company is required to incur exploration expenditures of \$200,000 on the property over a period of two years as follows:

- \$100,000 on or before September 20, 2023; and
- \$100,000 on or before September 20, 2024.

The optionors will retain a 2% NSR with the Company having the option to repurchase 1% of the NSR for a cash payment of \$500,000 for a period of two years after the commencement of commercial production. The optionors will retain a 2% NSR with the Company having the option to repurchase 1% of the NSR for a cash payment of \$500,000, whereby the option to repurchase expires two years after the commencement of commercial production.

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**7. SHARE CAPITAL**

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a) Authorized

Unlimited number of common shares without par value.

b) Issued

For the three months ended March 31, 2023:

On March 16, 2023, the Company issued 100,000 common shares with a fair value of \$3,500 pursuant to the Alegre Property option agreement. Refer to Note 6.

On March 9, 2023, the Company issued 2,000,000 common shares with a fair value of \$80,000 pursuant to the Brasil-Li 2 option agreement. Refer to Note 6.

On March 6, 2023, the Company issued 1,000,000 common shares with a fair value of \$45,000 pursuant to the Brasil-Li 2 option agreement. Refer to Note 6.

For the year ended December 31, 2022:

On December 16, 2022, the Company issued 10,000,000 common shares with a fair value of \$400,000 pursuant to the share exchange agreement to acquire NAAI. Refer to Note 5.

On December 8, 2022, the Company issued 6,500,000 common shares with a fair value of \$162,500 pursuant to the share exchange agreement to acquire 637 Ontario. Refer to Note 5.

On August 23, 2022, the Company issued 700,000 common shares with a fair value of \$24,500 as finders' fees pursuant to the acquisition of the Middle Arm Fault and Alegre properties.

On March 3, 2022, the Company issued 75,000 common shares with a fair value of \$31,500 (25,000 common shares with a fair value of \$10,500 for each option agreement) pursuant to the Miguels Lake, Mountain Pond, and Birchy Lake option agreements. Refer to Note 6.

On February 11, 2022, the Company completed a private placement for the issuance of 1,903,499 units at a price of \$0.30 per unit for gross proceeds of \$571,050. Each unit consisted of one common share and one-half of a common share purchase warrant, with each whole share purchase warrant exercisable at a price of \$0.40 per share expiring on February 11, 2024. In connection with the private placement, the Company paid finders' fees of \$34,240 and issued 80,000 brokers' warrants with a fair value of \$30,232. The fair value of the broker's warrants was determined using the Black Scholes option pricing model assuming volatility of 130%, expected life of 2 years, risk-free rate of 1.44%, and no expected dividends.

On January 25, 2022, the Company issued 50,000 common shares with a fair value of \$34,000 pursuant to the Alegre Property option agreement. Refer to Note 6.

On January 12, 2022, the Company completed a private placement for the issuance of 1,497,767 units at a price of \$0.30 per unit for proceeds of \$449,330. Each unit consisted of one common share and one-half of a common share purchase warrant, with each whole warrant exercisable at a price of \$0.40 per share expiring on January 12, 2024.

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**7. SHARE CAPITAL** (continued)

b) Stock options

The Company's Board of Directors approved a stock incentive plan in accordance with the policies of the Canadian Securities Exchange (the "Exchange"). The Board of Directors is authorized to grant options to directors, officers, consultants or employees to acquire up to 20% of the issued and outstanding common shares of the Company. The exercise price will not be less than \$0.10 per share and, in the event that the Company is listed on the Exchange, the market price of the common shares on the trading day immediately preceding the date of the grant, less applicable discounts permitted by the Exchange. The options that may be granted under this plan must be exercisable for over a period of not exceeding 5 years.

The following table summarizes the continuity of the Company's stock options:

	March 31, 2023		December 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	2,800,000	\$ 0.20	1,650,000	\$ 0.22
Granted	-	\$ -	1,150,000	\$ 0.17
Outstanding, end of period	2,800,000	\$ 0.20	2,800,000	\$ 0.20

The following stock options were outstanding and exercisable as at March 31, 2023:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding and Exercisable
March 21, 2024	0.98	\$ 0.20	550,000
October 17, 2024	1.55	\$ 0.05	500,000
March 10, 2026	2.95	\$ 0.10	1,000,000
October 22, 2026	3.56	\$ 0.40	400,000
October 27, 2026	3.58	\$ 0.40	150,000
November 1, 2026	3.59	\$ 0.45	100,000
January 12, 2027	3.79	\$ 0.60	100,000
	2.48	\$ 0.23	2,800,000

During the three months ended March 31, 2023, the Company recognized share-based compensation of \$Nil (year ended December 31, 2022 - \$110,570) relating to stock options granted to officers, directors, and consultants of the Company.

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**7. SHARE CAPITAL** (continued)

b) Stock options (continued)

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. The weighted average assumptions used in calculating the fair value of stock options granted, assuming no expected dividends and forfeitures, are as follows:

	Three months ended March 31, 2023	Year ended December 31, 2022
Risk-free interest rate	-	2.89%
Expected option life in years	-	2.3 years
Expected share price volatility*	-	100%

\*The share price volatility was determined based on the Company's historical volatility and comparable entities' historical volatility in share price due to the Company's limited trading history.

c) Share purchase warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	March 31, 2023		December 31, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	13,052,838	\$ 0.20	11,352,202	\$ 0.17
Granted	-	\$ -	1,700,636	\$ 0.40
Outstanding, end of period	13,052,838	\$ 0.20	13,052,838	\$ 0.20

The following share purchase warrants were outstanding and exercisable as at March 31, 2023:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding and Exercisable
December 7, 2023	0.69	\$ 0.10	9,500,000
December 13, 2023	0.70	\$ 0.40	1,238,835
December 30, 2023	0.75	\$ 0.75	613,367
January 12, 2024	0.78	\$ 0.40	748,884
February 11, 2024	0.87	\$ 0.40	951,752
	0.71	\$ 0.20	13,052,838

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**7. SHARE CAPITAL** (continued)

d) Brokers' warrants

The following table summarizes the continuity of the Company's brokers' warrants:

	<b>March 31, 2023</b>		<b>December 31, 2022</b>	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	308,298	\$ 0.40	228,298	\$ 0.40
Granted	-	\$ -	80,000	\$ 0.40
Outstanding, end of period	308,298	\$ 0.40	308,298	\$ 0.40

The following brokers' warrants were outstanding and exercisable as at March 31, 2023:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding and Exercisable
December 13, 2023	0.70	\$ 0.40	145,280
December 30, 2023	0.75	\$ 0.40	83,018
February 11, 2024	0.87	\$ 0.40	80,000
	0.76	\$ 0.40	308,298

During the three months ended March 31, 2023, the Company recognized share issuance costs of \$Nil (year ended December 31, 2022 - \$30,232) relating to brokers' warrants issued to finders who assisted the Company in closing financing transactions.

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its brokers' warrants granted. The weighted average assumptions used in calculating the fair value of brokers' warrants granted, assuming no expected dividends and forfeitures, are as follows:

	<b>Period ended March 31, 2023</b>	<b>Year ended December 31, 2022</b>
Risk-free interest rate	-	1.46%
Expected option life in years	-	2 years
Expected share price volatility*	-	100.00%

\*The share price volatility was determined based on the Company's historical volatility and comparable entities' historical volatility in share price due to the Company's limited trading history.

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**8. RELATED PARTY TRANSACTIONS**

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Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

Key Management Compensation

Key management includes directors (executive and non-executive) and officers of the Company. The amounts due to related parties are for amounts due to directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

During the three months ended March 31, 2023 and year ended December 31, 2022, the Company entered into following transactions with related parties:

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	<b>For the three months ended March 31, 2023</b>	<b>For the year ended December 31, 2022</b>
Key Management Compensation		
Consulting fees	\$ 55,125	\$ 231,500
Share-based compensation	-	35,624
	<b>\$ 55,125</b>	<b>\$ 267,124</b>

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As at March 31, 2023, included in the accounts payable and accrued liabilities is \$Nil (December 31, 2022 - \$Nil) related to the above compensation incurred with the Company's directors.

As at March 31, 2023, the Company had advanced \$105,000 (December 31, 2022 - \$65,625) to one of the Company's directors for prepayment of fees.

As at March 31, 2023, the Company had a loan payable of \$10,000 (December 31, 2022 - \$Nil) to the partner of one of the Company's directors.

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**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, price risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Fair values

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

*Level 1 - Quoted Prices in Active Markets for Identical Assets*

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

*Level 2 - Significant Other Observable Inputs*

Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability. There are no items in Level 2 of the fair value hierarchy.

*Level 3 - Significant Unobservable Inputs*

Unobservable (supported by little or no market activity) prices. There are no items in Level 3 of the fair value hierarchy.

The carrying values of cash, and accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash. The Company's cash is held at a large Canadian financial institution.

c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days, which are settled using cash. As at March 31, 2023, the Company has working capital of \$109,858.

At present, the Company's operations do not generate positive cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. Interest rate risk is minimal as the Company has no exposure to interest rates as at March 31, 2023.

e) Price risk

The Company has limited exposure to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities with a potential future project may be subject to risks associated with fluctuations in the market price of commodities.

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**10. CAPITAL MANAGEMENT**

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The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its mineral properties; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash. The Company is not subject to any externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the prior year.

There were no changes to the Company's approach to capital management during the three months ended March 31, 2023.

**11. SEGMENTED INFORMATION**

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The Company currently operates in a single reportable operating segment: the acquisition, exploration and development of mineral properties in Canada. All of the Company's assets and expenditures are located in Canada. Since the Company does not have any revenue producing activities, there is no segment information by revenues.

**12. SUBSEQUENT EVENTS**

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On April 12, 2023, the Company issued 500,000 stock options with an exercise price of \$0.05 and an expiry date of April 12, 2025 to a consultant. The stock options vest immediately upon grant.

On April 18, 2023, the Company issued 300,000 common shares with a value of \$13,500 to settle accumulative amounts of \$13,500 owed.

On May 18, 2023, the Company issued 250,000 stock options with an exercise price of \$0.05 and an expiry date of May 18, 2025 to a director. The stock options vest immediately upon grant.