SILVERSTOCK METALS INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

(Expressed in Canadian Dollars)

smythe

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SILVERSTOCK METALS INC.

Opinion

We have audited the financial statements of Silverstock Metals Inc. (the "Company"), which comprise:

- the statements of financial position as at March 31, 2023 and 2022;
- the statements of loss and comprehensive loss for the years then ended;
- the statements of changes in shareholders' equity for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023 and 2022, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has incurred losses since incorporation and has an accumulated deficit of $306,773 as at March 31, 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no key audit matters to communicate in our auditors' report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

SMYTHE LLP | **smythecpa.com**

VANCOUVER
1700–475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

LANGLEY
600–19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

NANAIMO
201–1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

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

In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

SMYTHE LLP | smythecpa.com

VANCOUVER
1700–475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

LANGLEY
600–19933 88 Ave
Langley, BC V2Y 4K5
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F: 604 357 1376

NANAIMO
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T: 250 755 2111
F: 250 984 0886

- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 auditors' report is Kevin Yokichi Nishi.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
July 26, 2023

SILVERSTOCK METALS INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	March 31, 2023	March 31, 2022
Assets		
Current		
Cash	$ 499,365	$ 640,216
Receivables	19,558	13,781
	518,923	653,997
Exploration and evaluation assets (Note 3)	209,817	172,317
	$ 728,740	$ 826,314
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 28,171	$ 19,466
Due to related parties (Note 4)	2,100	2,100
	30,271	21,566
Shareholders' Equity		
Share capital (Note 5)	945,242	653,410
Subscriptions received in advance (Note 5)	-	270,000
Reserves	60,000	60,000
Deficit	(306,773)	(178,662)
	698,469	804,748
Total Liabilities and Shareholders' Equity	$ 728,740	$ 826,314

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors:

Jonathan Fruchter Director *Roger Foster* Director

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

SILVERSTOCK METALS INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Operating Expenses		
Consulting fees (Note 4)	$ 60,000	$ 55,500
General and administrative	2,704	4,174
Filing fees	15,039	7,825
Rent	6,000	6,000
Professional fees	44,368	28,781
Share-based payments (Note 4 & 5)	-	6,000
Net Loss and Comprehensive Loss	$ 128,111	$ 108,280
Basic and Diluted Loss per Share	$ (0.01)	$ (0.01)
Weighted Average Number of Common Shares Outstanding	17,997,398	13,412,913

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

SILVERSTOCK METALS INC.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

		Year Ended March 31, 2023		Year Ended March 31, 2022
Cash Flows From Operating Activities				
Net loss for the year	$	(128,111)	$	(108,280)
Items not involving cash				
Share based payments		-		6,000
Changes in non-cash working capital items				
Receivables		(5,777)		(13,631)
Accounts payable and accrued liabilities		8,705		(5,534)
Due to related parties		-		100
Net cash used in operating activities		(125,183)		(121,345)
Cash Flows From Investing Activities				
Exploration and evaluation of assets		(15,000)		(44,885)
Net cash used in operating investing activities		(15,000)		(44,885)
Cash Flows From Financing Activities				
Proceeds from issuance of shares, net of share issuance costs		(668)		292,409
Proceeds from exercise of warrants		-		90,000
Subscriptions received in advance		-		270,000
Net cash (used in) from financing activities		(668)		652,409
Increase (decrease) in cash during the year		(140,851)		486,179
Cash, Beginning of Year		640,216		154,037
Cash, End of Year	**$**	499,365	$	640,216

Supplemental Cash Flow Information				
Fair value of shares issued for exploration and evaluation assets	$	22,500	$	25,500
Fair value of shares issued for corporate finance fee		-		10,000
Fair value of finders' warrants		-		24,000
Interest paid		-		-
Income taxes paid		-		-

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

SILVERSTOCK METALS INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of Outstanding Shares	Share Capital	Subscriptions received in advance	Reserves	Deficit	Total Shareholders' Equity
		$	$	$	$	$
Balance, March 31, 2021	10,600,001	269,501	-	30,000	(70,382)	229,119
Shares issued for cash	4,500,000	450,000	-	-		450,000
Shares issued from the exercise of warrants	900,000	90,000	-	-		90,000
Shares issued for corporate finance fee	100,000	10,000	-	-		10,000
Shares issued for property acquisition	150,000	25,500	-	-		25,500
Share issuance costs	-	(191,591)	-	24,000	-	(167,591)
Subscriptions received in advance		-	270,000	-	-	270,000
Share-based payments	-	-	-	6,000	-	6,000
Net loss for the period	-	-	-	-	(108,280)	(108,280)
Balance, March 31, 2022	16,250,001	653,410	270,000	60,000	(178,662)	804,748
Shares issued for property acquisition	150,000	22,500	-	-	-	22,500
Shares issued from the exercise of warrants	2,700,000	270,000	(270,000)	-	-	-
Share issuance costs	-	(668)	-	-	-	(668)
Net loss for the period	-	-	-	-	(128,111)	(128,111)
Balance, March 31, 2023	19,100,001	945,242	-	60,000	(306,773)	698,469

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Silverstock Metals Inc. (the "Company" or "Silverstock") was incorporated on September 1, 2020 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 710 – 1030 Granville Street, Vancouver, British Columbia, Canada.

The Company is in the process of acquiring and exploring exploration and evaluation assets and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production.

As at March 31, 2023, the Company has generated negative cash flows from operating activities and has an accumulated deficit of $306,773 (2022 - $178,662). The Company expects to incur further losses in the development of its operations. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues enough to cover its operating costs. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The presentation and functional currency of the Company is the Canadian dollar.

These financial statements were authorized for issue by the Board of Directors on July 26, 2023.

Basis of presentation

These financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Significant accounting estimates and judgments

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amount of revenues and expenses during the reporting year. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates and judgments as the basis for determining the stated amounts include the following:

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Significant accounting estimates and judgments (cont'd…)

Going concern
The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Impairment of exploration and evaluation assets
At the end of each reporting period, the Company assesses each of its mineral properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of mineral properties are budgeted or planned, and results of exploration and evaluation activities on the exploration and evaluation assets.

Valuation of share-based payments
The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded until the payments are made or received. Proceeds received on the sale or option of the Company's property interest is recorded as a reduction of the mineral property cost. When proceeds received in respect of a property exceed its carrying cost, such excess is recognized in net income (loss).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. The Company is required to incur and renounce qualifying expenditures on a timely basis for the respective flow-through subscriptions and, accordingly, it is not entitled to the related tax deductions and tax credits for such expenditures.

In circumstances where the Company has issued flow-through shares by way of a unit offering, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are issued and then to the warrants based on their fair value, calculated using the Black-Scholes option pricing model. Any remaining residual value is then recognized as a liability for the premium on the flow-through shares.

As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carryforwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates (the "functional currency"), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Balances denominated in foreign currencies are translated as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect as at the consolidated statement of financial position date;

(ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and

(iii) Expenses (excluding depreciation and amortization, which are translated at the same rate as the related asset), at the exchange rates in effect on the date of the transaction.

Exchange differences arising from the translations are recorded as a gain or loss on foreign currency translation in profit or loss. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing on the statement of financial position date are recognized in profit or loss.

Income tax

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 financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income tax (cont'd…)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on 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.

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.

Financial instruments

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or if the Company has opted to measure them at FVTOCI.

ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's accounts payable and accrued liabilities and amounts due to related parties are carried at amortized cost.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. The Company's cash is classified as FVTPL.

Financial assets measured at FVTOCI

Financial assets measured at fair value through other comprehensive income are recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition; the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

iii) Impairment of financial assets at amortized cost (cont'd…)

The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

v) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Impairment

At the end of each reporting period the carrying amounts of the Company's 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 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 the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share capital

Common shares are classified as 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.

Unit offerings

The Company uses the residual value method to value units. Proceeds received on the issuance of units are first allocated to common shares based on the fair market value of the common shares at the time the units are issued, with the residual value being allocated to the warrants.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share-based payments

The fair value of options or compensatory warrants granted is recognized as a share-based payments expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services like those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value of options granted is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value is measured using the Black-Scholes option pricing model considering the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based payments 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.

Related party transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

Provisions

Rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, 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 year 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 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 and changes in the estimated future cash flows underlying any initial estimates.

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 rehabilitation obligations for the period presented.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New standards, interpretations and amendments adopted during the year

A number of new standards, amendments to standards, and interpretations are not yet effective as of March 31, 2023, and have therefore not been applied in preparing these financial statements. None are expected to have a material effect on the financial statements of the Company.

3. EXPLORATION AND EVALUATION OF ASSETS

A summary of the changes in exploration and evaluation assets is presented below:

		Gold Cutter
Balance at March 31, 2021	**$**	**101,932**
Acquisition costs:		
Cash & Shares		35,500
Deferred exploration costs:		
Consulting		18,777
Report preparation		4,900
Assay		5,657
Field & Travel		5,551
Total expenditures for the year		70,385
Balance March 31, 2022	$	172,317
Acquisition costs:		
Cash		15,000
Shares		22,500
Total expenditures for the period		37,500
Balance at March 31, 2023	$	209,817

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION OF ASSETS (cont'd…)

Gold Cutter Project

Pursuant to an option agreement dated September 2, 2020, the Company was granted an option to acquire a 100% undivided intertest in the Gold Cutter Project (the "Property") in the Kamloops Mining Division of British Columbia. To exercise the option the Company must pay $445,000 and issue 500,000 common share as follows:

		Cash	Common Shares
Upon signing of the agreement	$	5,000 (paid)	-
On or before the Company's common shares listed on the Canadian Stock Exchange ("CSE") (the "Listing")		10,000 (paid)	-
Within 15 days of the Listing		-	150,000 (issued)
On or before the first anniversary of the Listing		15,000 (paid)	150,000 (issued)
On or before the second anniversary of the Listing		25,000	100,000
On or before the third anniversary of the Listing		25,000	100,000
On or before the fourth anniversary of the Listing		40,000	-
On or before the fifth anniversary of the Listing		100,000	-
On or before the Sixth anniversary of the Listing		225,000	-
Total	$	445,000	500,000

Upon commencement of commercial production, the optionor will receive a 1.8% Gross Smelter Returns Royalty.

4. RELATED PARTY TRANSACTIONS

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

a) As at March 31, 2023, the liabilities of the Company include the following amounts due to a director and officer:

		2023	2022
Due to related parties	$	2,100	2,100

b) During the year ended March 31, 2023, the Company incurred consulting fees and share-based payments with an officer and directors, which compromise key management compensation as follows:

		2023	2022
Consulting fees	$	24,000	24,000
Share-based payments	$	-	6,000

5. SHARE CAPITAL AND RESERVES

a) Common shares

Authorized – Unlimited common shares without par value.

During the year ended March 31, 2023, the Company had the following share capital transactions:

(1) Issued 150,000 common shares with a fair value of $22,500 pursuant to the Gold Cutter option agreement.

(2) Issued 2,700,000 common shares pursuant to the exercise of share purchase warrants. Proceeds of $270,000 were received during the year ended March 31, 2022.

During the year ended March 31, 2022, the Company had the following share capital transactions:

(1) On August 30, 2021 the Company completed an initial public offering ("IPO") through the issuance of 4,500,000 common shares at a price of $0.10 per share for gross proceeds of $450,000. In connection with the IPO, the Company paid an agent's commission of $45,000 and issued 450,000 agent's warrants, each entitling the holder to purchase one common share at a price of $0.10 per share for a period of two years from issuance. In addition, the Company paid the agent a corporate finance fee consisting of $30,000 cash and 100,000 common shares fair valued at $0.10 per share, and incurred additional issuance costs of $82,591.

The fair value of the agent's warrants was estimated as $24,000 using the Black-Scholes option pricing model. The weighted average assumptions used in the pricing model were as follows: share price – $0.10; exercise price – $0.10; expected life – 2 years; risk-free rate – 0.45%; expected volatility –100%; expected forfeitures – nil; and expected dividends – nil. The significant estimated assumptions are the expected life which is based on the contractual maturity of the warrants and the expected volatility which is based on a comparable public company's historical volatility. Share price is the share price on date of issuance.

(2) Issued 150,000 common shares with a fair value of $25,500 pursuant to the Gold Cutter option agreement.

(3) Issued 900,000 common shares for proceeds of $90,000 pursuant to the exercise of share purchase warrants.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (cont'd…)

b) Share purchase warrants

The following is a summary of changes in share purchase warrants for the years ended March 31, 2023 and 2022:

	Number of warrants	Weighted Average Exercise Price
Balance, March 31, 2021	**3,600,000**	**$0.10**
Issued	450,000	$0.10
Exercised	(900,000)	$0.10
Balance, March 31, 2022	**3,150,000**	**$0.10**
Exercised	(2,700,000)	$0.10
Balance, March 31, 2023	**450,000**	**$0.10**

As at March 31, 2023, the following share purchase warrants were outstanding and exercisable:

Expiry Date	Number of warrants	Exercise Price
Aug 30, 2023	450,000	$0.10
	450,000	**$0.10**

As at March 31, 2023, the weighted average remaining contractual life of warrants outstanding is 0.42 years (2022 - 0.21 years).

c) Share purchase options

On April 1, 2021, the Company adopted a stock option plan for directors, officers, employees, and consultants, under which the Company may grant stock options to purchase common shares of the Company provided that the amount of incentive stock options which may be granted and outstanding under the Plan at any time shall not exceed 10% of the then issued and outstanding common shares of the Company.

On April 12, 2021, the Company granted 200,000 options to a director and officer. Each option enables the holder to purchase one common share of the Company at an exercise price of $0.10 per common share and expires on April 12, 2026. These options had a fair value of $6,000 calculated using the Black-Scholes option pricing model with the following inputs: exercise price – $0.10; share price – $0.05; term – 5 years; volatility – 100%; and risk-free interest rate – 0.93%.

The expected volatility assumption is based on comparable companies. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the options' expected life. The Company uses historical data to estimate option exercise, forfeiture, and employee termination within the valuation model.

The following is a summary of changes in share purchase options for the years ended March 31, 2023 and 2022:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2021	-	-
Granted	200,000	$0.10
Balance, March 31, 2022 and 2023	**200,000**	**$0.10**

(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (cont'd…)

c) Share purchase options (cont'd…)

As at March 31, 2023, the following share purchase options were outstanding and exercisable:

Expiry Date	Number of options	Exercise Price
April 12, 2026	200,000	$0.10
	200,000	**$0.10**

As at March 31, 2023, the weighted average remaining contractual life of options outstanding is 3.0 years (2022 - 4.04 years).

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of amounts due to related parties and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to cash is remote as cash is deposited in high credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk the Company will not have sufficient liquidity to meet its ongoing liabilities. As of March 31, 2023, the Company had a cash balance of $499,365 to settle current liabilities of $30,271 which are all due within three months.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial risk factors (cont'd…)

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company's expenditures are denominated in Canadian dollars and current exposure to currency risk is minimal.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

7. INCOME TAXES

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

		2023		2021
Net loss for the period	$	(128,111)	$	(108,280)
Statutory tax rate		27%		27%
Expected income tax (recovery)	$	(35,000)	$	(29,000)
Non-deductible permanent differences		-		1,000
Change in tax assets not recognized		35,000		28,000
Total income tax recovery	$	-	$	-

The significant components of the Company's unrecognized deferred tax assets and liabilities as at March 31, 2023 and 2022 are as follows:

		2023		2022
Non-capital losses available for future periods	$	93,000	$	49,000
Share issuance costs		-		42,000
Exploration and evaluation assets		(22,000)		(6,000)
Unrecognized deferred tax assets	$	71,000	$	85,000

The Company has available for deduction against future taxable income non-capital losses carried forward of approximately $263,000. The non-capital losses, if not utilized, will start to expire in 2041. Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements and have been offset by a valuation allowance due to the uncertainty of their realization.

8. CAPITAL MANAGEMENT

The Company defines capital that it manages as the aggregate of share capital, reserves, and deficit.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company relies on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is enough economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the period.

9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

10. SUBSEQUENT EVENTS

Subsequent to March 31, 2023, the Company granted 500,000 stock options to an officer of the Company to purchase common shares of the Company at $0.10 per share for a period of five years from issuance.