GOLD TREE RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED OCTOBER 31, 2022 AND 2021

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Gold Tree Resources Ltd.

Opinion

We have audited the consolidated financial statements of Gold Tree Resources Ltd. (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

DMCL

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

February 28, 2023

Gold Tree Resources Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at,	October 31, 2022	October 31, 2021
	$	$
ASSETS		
Current assets		
Cash	352,052	586,588
Taxes receivable	7,553	-
	359,605	586,588
Exploration and evaluation assets (Note 6)	1,156,030	114,153
Total assets	1,515,635	700,741
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	71,406	15,000
Due to related parties (Notes 6 and 8)	16,101	2,822
Total liabilities	87,507	17,822
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	1,640,001	715,001
Deficit	(211,873)	(32,082)
Total shareholders' equity	1,428,128	682,919
Total liabilities and shareholders' equity	1,515,635	700,741

Nature of operation and going concern (Note 1)

Approved on behalf of the Board of Directors on February 28, 2023:

"Adrian Smith"	*"Kosta Tsoutsis"*
Adrian Smith, Director	Kosta Tsoutsis, Director

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

Gold Tree Resources Ltd.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		Year ended October 31, 2022	2021
		$	$
Expenses			
General administrative and office		11,186	308
Accounting fees		84,018	-
Transfer agent and filing fees		32,666	-
Legal fees		31,371	-
Professional fees	8	20,550	25,317
Net and comprehensive loss		(179,791)	(25,625)
Loss per share - basic and diluted		(0.01)	(0.00)
Weighted average number of common shares outstanding – basic and diluted		14,482,953	8,823,027

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

Gold Tree Resources Ltd.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended October 31, 2022 $	2021 $
Cash flows from operating activities		
Net loss for the period	(179,791)	(25,625)
Net change in non-cash working capital		
Taxes receivable	(7,553)	3,550
Accounts payable and accrued liabilities	56,406	15,000
Due to related parties	13,279	-
Cash used in operating activities	(117,659)	(7,075)
Cash flows from financing activities		
Share capital issued for cash, net of costs	-	514,100
Proceeds from exercise of warrants	10,000	-
Cash provided by financing activities	10,000	514,100
Cash flows from investing activities		
Exploration and evaluation expenditures	(126,877)	(11,831)
Cash used in investing activities	(126,877)	(11,831)
Increase (decrease) in cash	(234,536)	495,194
Cash, beginning	586,588	91,394
Cash, ending	352,052	586,588

SUPPLEMENTAL DISCLOSURE	$	$
Shares issued for exploration and evaluation assets	150,000	10,000
Shares issued for acquisition	765,000	-

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

Gold Tree Resources Ltd.
Consolidated Statements of Changes in Shareholders' Equity
For the Years ended October 31, 2022 and 2021
(Expressed in Canadian dollars)

	Share capital				
	Number of shares	Amount $	Subscriptions $	Deficit $	Total shareholders' equity $
Balance, October 31, 2020	7,650,001	183,451	7,450	(6,457)	184,444
Shares for option payment (Notes 5 and 7)	100,000	10,000	-	-	10,000
Private placement, net of issuance costs (Note 7)	5,215,500	521,550	(7,450)	-	514,100
Net and comprehensive loss	-	-	-	(25,625)	(25,625)
Balance, October 31, 2021	12,965,501	715,001	-	(32,082)	682,919
Shares issued for acquisition of 1314836 BC Ltd. (Note 5,6 and 7)	3,000,000	765,000	-	-	765,000
Shares for conversion of special warrants (Note 7)	355,000	-	-	-	-
Shares for option payment (Notes 6 and 7)	600,000	150,000	-	-	150,000
Shares for exercise of warrants (Note 7)	100,000	10,000	-	-	10,000
Net and comprehensive loss	-	-	-	(179,791)	(179,791)
Balance, October 31, 2022	17,020,501	1,640,001	-	(211,873)	1,428,128

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Gold Tree Resources Ltd. (the "Company") was incorporated under the Business Corporations Act of British Columbia on June 21, 2019. The Company is in the business of exploring resource properties. The Company's resource properties are located in British Columbia, Canada and Nevada, USA. The Company's head office, principal address and records of office is 21 - 2986 Coast Meridian Road, Port Coquitlam, BC, V3B 3M8. On March 28, 2022, the Company was approved for its listing on the Canadian Securities Exchange ("CSE") under the stock symbol "GTX".

These 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 its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at October 31, 2022, the Company had not advanced its resource properties to commercial production and is not able to finance day to day activities through operations. The Company had working capital of $272,098 as at October 31, 2022 (October 31, 2021 – $568,766), and an accumulated deficit of $211,873 (October 31, 2021 - $32,082). The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and private placements of common shares. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern and such adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements were authorized for issue by the Board of Directors on February 28, 2023.

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI"), which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, 1314836 BC Ltd. and Lithium Valley Holdings Corp. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

2. BASIS OF PREPARATION (CONTINUED)

Sources of Estimation Uncertainty

Significant assumptions about the future and the other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from the assumptions made, relate to, but are not limited to, the following:

i) Realization of exploration and evaluation assets.

The Company assesses its exploration and evaluation assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of assets may not be recoverable, at each reporting period. The assessment of any impairment of exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows and useful lives of assets and their related salvage values.

ii) Site restoration obligations

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

Restoration liabilities include an estimate of the future cost associated with the reclamation of the property and equipment, discounted to its present value, and capitalized as part of the cost of assets. The estimated costs are based on the present value of the expenditure expected to be incurred. Changes in the discount rate, estimated timing of reclamation costs, or cost estimates are dealt with prospectively by recording a change in estimate, and corresponding adjustment to equipment. The accretion on the reclamation provision is included in the reclamation liability.

As at October 31, 2022, the Company is not aware of any environmental concerns relating to its exploration and evaluation asset that may result in a liability to the Company.

iii) 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 could materially affect the fair value estimate and the Company's earnings and equity reserves, and therefore the existing models do not necessarily provide an accurate single measure of the actual fair value of the Company's stock options and warrants.

iv) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing losses.

Critical Accounting Judgments

Significant judgments about the future and other sources of judgment uncertainty that management has made at the statements of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from judgments made, relate to, but are not limited to, the following:

2. BASIS OF PREPARATION (CONTINUED)

Critical Accounting Judgments (continued)

i) Assessment of going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for 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.

ii) Business combinations and asset acquisitions

Judgment is required to determine if the Company's acquisitions represent business combinations or asset purchases. More specifically, management concluded that the Company's acquisition did not qualify as business combinations, as the assets acquired were not an integrated set of activities with inputs and processes capable of producing outputs. For acquisitions that represented the purchase of assets, no goodwill was recognized on the transactions and acquisition costs were capitalized to the assets purchased rather than expensed. As the Company concluded that the acquisition was an asset acquisition, an allocation of the purchase price to the individual identifiable assets acquired, including intangible assets, and liabilities assumed based on their fair values at the date of purchase was required. The fair values of the net assets acquired were calculated using significant estimates and judgments. If estimates or judgments differed, this could result in a materially different allocation of net assets on the consolidated statement of financial position.

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of the purchase prices.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at FVTPL, 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 the 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 at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts payable	Amortized cost
Due to related parties	Amortized cost

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.

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 the consolidated statements of loss and comprehensive 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 the consolidated statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are initially recognized at fair value plus or minus transaction costs and are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are initially recognized at fair value plus or minus transaction costs and subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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. If at the reporting date, the financial asset has not 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. The Company shall recognize in the consolidated statements of loss and comprehensive 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.

Derecognition

Financial assets

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Cash

Cash consists of bank deposits or highly liquid investments that are readily convertible to known amounts of cash with original maturities of 90 days or less and which are subject to an insignificant risk of change in value.

Exploration and Evaluation Assets (‘E&E”)
Once the legal right to explore a property has been acquired, costs directly related to E&E expenditures are capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. The costs are accumulated by exploration area and are not depleted pending determination of technical feasibility and commercial viability. Costs not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as E&E assets or recoveries when the payments are made or received.

When a project is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of that project are deemed to be impaired. As a result, those E&E expenditures, in excess of estimated recoveries, are written off to the consolidated statement of loss and comprehensive loss. The Company assesses E&E assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Impairment of Non-Financial Assets
At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. The impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclamation Obligations
The Company recognizes the fair value of a legal or constructive liability for a reclamation obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for a reclamation obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and a financing expense in the consolidated statements of loss and comprehensive loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

Share Capital
Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, warrants and options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares, warrants and options are recognized as a deduction from equity.

Valuation of Equity Units issued in Private Placements
Proceeds received on the issuance of units, consisting of common shares and warrants, are first allocated to the fair value of the common shares with any residual value then allocated to warrants. The fair value of the common shares is determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants and recorded in reserves.

Share-based Payments
Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is recognized in profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loss per Share
Basic loss per common share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of common shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

Income Taxes
Income tax on the income or loss for the years presented comprises current and deferred tax. Income tax is recognized in income or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Deferred income tax is recognized using the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the enactment date. Deferred tax assets also result from unused loss carry-forwards, resource related tax pools and other deductions. 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.

Foreign Currency Translation
Transactions in foreign currencies are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the statement of financial position date.

Non-monetary items are translated at the rate of exchange in effect when the assets were acquired, or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction. Exchange differences arising from the translations are recorded as a gain or loss on foreign currency translation in profit or loss.

Provisions
Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Standards and Interpretations
Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Credit risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Foreign Exchange Risk
Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar, and all its assets and liabilities are in the Company's functional currency, therefore the Company is currently not exposed to foreign currency risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company assessed its liquidity risk as high.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at October 31, 2022 and October 31, 2021:

October 31, 2022	Within 60 days $	Between 61-90 days $	More than 90 days $
Accounts payable	40,024	-	-
Related parties	16,101	-	-
	56,125	-	-

October 31, 2021	Within 60 days $	Between 61-90 days $	More than 90 days $
Related parties	2,822	-	-

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 interest rate risk.

There were no changes in the Company's approach to risk management during the reporting period.

(Expressed in Canadian dollars)

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

Capital Management

The Company defines its capital as shareholders' equity. It manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. 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 is dependent upon external financing or the sale of assets to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. 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 approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

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 Company's cash is measured at fair value based on level 1 inputs.

5. ACQUISITION OF 1314836 BC LTD.

On July 7, 2022, the Company acquired, through the purchase of 1314836 BC Ltd. ("1314836"), the McDermitt Lithium Property (the "McDermitt Property") located in Nevada, USA.

Under the terms of the agreement, the Company issued 3,000,000 common shares with a fair value of $765,000 to the shareholders of 1314836.

This acquisition did not meet the definition of a business under IFRS 3; therefore the acquisition of 1314836 was treated as an acquisition of assets. The fair value of the assets acquired as at the date of acquisition were as follows:

Consideration		
Fair value of 3,000,000 common shares issued (Notes 6 and 7)	$	765,000
Net assets acquired		
Exploration and evaluation assets	$	765,000

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

	Skygold Property $	McDermitt Lithium Property $	Total $
Acquisition costs			
Balance, October 31, 2020	8,000	-	8,000
Additions	20,000	-	20,000
Balance, October 31, 2021	28,000	-	28,000
Additions	170,000	765,000	935,000
Balance, October 31, 2022	198,000	765,000	963,000
Exploration costs			
Balance, October 31, 2020	84,322	-	84,322
Sampling	831	-	831
Technical Report	1,000	-	1,000
Balance, October 31, 2021	86,153	-	86,153
Geological	17,137	9,488	26,625
Travel	11,221	69,031	80,252
Balance, October 31, 2022	114,511	78,519	193,030
Total costs October 31, 2021	114,153	-	114,153
Total costs October 31, 2022	312,511	843,519	1,156,030

Skygold Property

On September 10, 2019 (the “Effective Date”), the Company entered into Option Agreement, as amended on September 9, 2020, September 9, 2021, and September 9, 2022 (the” Option Agreement”) with Divitiae Resources Ltd. (“Divitiae”), a related party to the Company, for the option to acquire the 100% legal and beneficial interest in the Skygold Property (“Property”), subject to 1.5% Net Smelter Return.

In order to maintain the Option Agreement in good standing and earn a 100% right, title and undivided interest in and to the Property, the Company will pay certain amounts to the Divitiae, issue common shares and complete minimum work expenditures as follows:

(a) make cash payments to and as directed by Divitiae, as follows:
- (i) $8,000 within six months of the Effective Date (paid);
- (ii) An additional $10,000 on or before February 28, 2021 (paid);
- (iii) an additional $20,000 on or before February 28, 2022 (paid);
- (iv) an additional $40,000 on or before June 30, 2023*;
- (v) an additional $100,000 on or before the fourth anniversary of the Effective Date;

*On September 9, 2022, the Company entered into an Amendment Agreement where the payment on or before the third anniversary of the effective date was amended to be paid on or before June 30, 2023.

(b) allot and issue to Divitiae, as fully paid and non-assessable, 2,000,000 common shares, as follows:
- (i) 100,000 shares on or before February 28, 2021 (issued, Note 7);
- (ii) an additional 200,000 shares on or before February 28, 2022 (issued, Note 7);
- (iii) an additional 400,000 shares on or before the third anniversary of the Effective Date (issued, Note 7);
- (iv) an additional 1,300,000 shares on or before the fourth anniversary of the Effective Date;

(c) complete minimum work expenditures on the Property as follows:
- (i) $20,000 on or before February 28, 2021 (completed);
- (ii) $40,000 on or before February 28, 2022 (completed); and
- (iii) $60,000 on or before the third anniversary of the Effective Date.

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Skygold Property (Continued)

Upon exercise of the option, Divitiae is entitled to receive a royalty equal to 1.5% of the net smelter returns ("NSR") from the property. The Company may repurchase 1% of the NSR from Divitiae for $1,000,000.

McDermitt Lithium Property

On July 7, 2022, the Company acquired, through the purchase of 1314836 (Note 5), the McDermitt Property which is comprised of 315 lode claims located in Humboldt County, Nevada, USA.

7. SHARE CAPITAL

Authorized

An unlimited number of common shares without par value.

Issued

Year ended October 31, 2022:

On September 10, 2022, the Company issued 400,000 common shares with a fair value of $130,000 pursuant to the terms of the Skygold Option Agreement (Note 6).

On July 7, 2022, the Company issued 3,000,000 common shares with a fair value of $765,000 pursuant to the acquisition of 1314836 (Note 5).

On May 5, 2022, the Company issued 100,000 common shares, pursuant to the exercise of warrants for total proceeds of $10,000. The Company's share price on the date of exercise was $0.20.

On February 28, 2022, the Company issued 200,000 common shares at a fair value of $20,000, pursuant to the terms of the Skygold Option Agreement (Note 6).

On December 1, 2021, the 355,000 special warrants were converted into common shares of the Company for $Nil proceeds.

Year ended October 31, 2021:

On February 28, 2021, the Company issued 100,000 common shares at a fair value of $10,000, pursuant to the terms of the Skygold Option Agreement (Note 6).

On June 14, 2021, the Company completed a private placement with the issuance of 115,500 common shares at a price of $0.10 for gross proceeds of $11,550, of which $7,450 was received during the year ended October 31, 2020.

On August 16, 2021, the Company completed a private placement with the issuance of 5,100,000 units at a price of $0.10 for gross proceeds of $510,000. Each unit consisted of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of $0.10 per share at any time within 2 years of the closing.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (CONTINUED)

Escrow

At October 31, 2022, 3,042,000 shares were held in escrow (2021 – 3,856,000). These shares will be released as 15% every six months after the date that the common shares were listed on the CSE.

Warrants

	Number of Warrants	Weighted average exercise price
Outstanding, October 31, 2020	100,000	$ 0.10
Issued	5,100,000	0.10
Outstanding, October 31, 2021	5,200,000	$ 0.10
Exercised	(100,000)	(0.10)
Outstanding, October 31, 2022	5,100,000	$ 0.10

As at October 31, 2022, the weighted average life of the warrants was 0.79 years (October 31, 2021 – 1.78 years).

Details of warrants outstanding at October 31, 2022 are as follows:

Exercise Price	Expiry Date	Weighted Average Remaining Life	Number Outstanding
$0.10	August 16, 2023	0.79 years	5,100,000
		0.79 years	5,100,000

At October 31, 2021, the Company had 355,000 special warrants outstanding, which were exercisable for $Nil proceeds. These special warrants would automatically convert into common shares of the Company upon successful listing on the CSE or 18 months from the date of issuance of the special warrants. On December 1, 2021, the 355,000 special warrants were converted into common shares of the Company for $Nil proceeds.

8. RELATED PARTY TRANSACTIONS

Related party balances

As at October 31, 2022, Company had amounts due to related parties of $16,101 (October 31, 2021 - $2,822), which was payable to directors and officers of the Company. The amounts are unsecured, non-interest bearing and due on demand.

Related party transactions

Management fees charged by a company controlled by a director totaled $4,250 during the year ended October 31, 2022 (October 31, 2022 - $Nil).

9. SEGMENTED INFORMATION

As at October 31, 2022, the Company conducts all of its operations in one business segment being the exploration of resource properties, in two geographic locations being Canada and the United States. During the year ended October 31, 2022, the Company acquired the McDermitt Property in Humbold County, Nevada, USA as a result of the purchase of 1314836 (Notes 5 and 6). The Company's operations are geographically located in Canada and the United States as follows:

(Expressed in Canadian dollars)

9. SEGMENTED INFORMATION (CONTINUED)

	Year ended October 31, 2022 $	2021 $
Non-current Assets		
Canada	312,511	114,153
United States	843,519	-
Total	1,156,030	114,153

10. INCOME TAXES

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

	October 31, 2022 $	October 31, 2021 $
Loss before income taxes	(179,791)	(25,625)
Statutory tax rate	27%	27%
Expected income tax recovery	(48,543)	(6,919)
Non-deductible items and other	-	-
Change in valuation allowance	48,543	6,919
Total income tax recovery	-	-

The significant components of the Company's deferred income tax asset unrecognized are as follow:

	October 31, 2022 $	October 31, 2021 $
Non-capital loss carry-forwards	57,700	8,992
Share issuance costs	329	494
	58,029	9,486

The Company has non-capital carry forward losses of $388 that expire in 2039, $6,679 that expire in 2040, $26,235 that expire in 2041, and $180,401 that expire in 2042.