Corcel Exploration Inc.

Financial Statements

For the Year ended June 30, 2022

and

The Period from July 21, 2020 (Date of Incorporation) to June 30, 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Corcel Exploration Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Corcel Exploration Inc. (the Company), which comprise the statements of financial position as at June 30, 2022, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the year then ended, and 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 June 30, 2022, and its financial performance and its cash flows for the year 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the Company incurred a comprehensive loss of $257,952 during the year ended June 30, 2022. 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.

Other Matter

The financial statements of the Company for the year ended June 30, 2021, were audited by another auditor, who expressed an unmodified opinion on those statements on October 13, 2021.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the financial statements and our auditor's report thereon.

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 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.

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 relating 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 scepticism 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.

CLEARHOUSE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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 Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
September 20, 2022

Corcel Exploration Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at June 30, 2022	As at June 30, 2021
	$	$
Assets		
Current Assets		
Cash	**470,801**	72,115
Other receivables (Note 4)	**4,764**	957
Total Assets	**475,565**	73,072
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 5 and 9)	**33,877**	12,176
Total Liabilities	**33,877**	12,176
Shareholders' Equity		
Share capital (Note 6)	**847,839**	233,250
Warrants reserve (Note 8)	**24,155**	-
Accumulated deficit	**(430,306)**	(172,354)
Total Shareholders' Equity	**441,688**	60,896
Total Liabilities and Shareholders' Equity	**475,565**	73,072

Nature of operations and going concern (Note 1)
Commitments (Note 11)
Contingencies (Note 15)

Approved on behalf of the Board of Directors:

"Stephen Dunn"
Stephen Dunn, Director

"Patrick Morton"
Patrick Morton, Director

The accompanying notes are an integral part of these financial statements

Corcel Exploration Inc.

Statements of Loss and Comprehensive Loss
For the Year ended June 30, 2022 and the Period from July 21, 2020 (Date of Incorporation) to June 30, 2021
(Expressed in Canadian Dollars)

	Year ended June 30, 2022	For Period from Incorporation to June 30, 2021
	$	$
Expenses		
Professional fees (Notes 9 and 14)	**167,071**	43,249
Exploration and evaluation expenses (Note 11)	**68,219**	121,319
General and administrative	**13,902**	286
Transfer agent fees	**8,760**	-
Director fees (Note 9)	**-**	7,500
Net Loss and Comprehensive Loss	**(257,952)**	(172,354)
Weighted Average Number of Outstanding Shares		
– Basic and Diluted (Note 7)	**18,963,562**	11,354,797
Net Loss per Share – Basic and Diluted (Note 7)	**(0.014)**	(0.015)

The accompanying notes are an integral part of these financial statements

Corcel Exploration Inc.

Statements of Changes in Shareholders' Equity
For the Year ended June 30, 2022 and the Period from July 21, 2020 (Date of Incorporation) to June 30, 2021
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Warrants Reserve	Accumulated Deficit	Total
	#	$	$	$	$
Balance, July 21, 2020	**-**	**-**	**-**	**-**	**-**
Issuance of shares for cash (Note 6)	11,600,000	213,250	-	-	213,250
Issuance of shares for property acquisition (Note 11)	1,000,000	20,000	-	-	20,000
Net loss and comprehensive loss	-	-	-	(172,354)	(172,354)
Balance, June 30, 2021	**12,600,000**	**233,250**	**-**	**(172,354)**	**60,896**
Issuance of shares for cash (Note 6)	3,400,000	170,000	-	-	170,000
Issuance of shares on Initial Public Offering (Note 6)	5,750,000	575,000	-	-	575,000
Share issuance costs (Note 6)	-	(106,256)	-	-	(106,256)
Issuance of agent's warrants (Note 8)	-	(24,155)	24,155	-	-
Net loss and comprehensive loss	-	-	-	(257,952)	(257,952)
Balance, June 30, 2022	**21,750,000**	**847,839**	**24,155**	**(430,306)**	**441,688**

The accompanying notes are an integral part of these financial statements

Corcel Exploration Inc.

Statements of Cash Flows
For the Year ended June 30, 2022 and the Period from July 21, 2020 (Date of Incorporation) to June 30, 2021
(Expressed in Canadian Dollars)

	Year ended June 30, 2022	For Period from Incorporation to June 30, 2021
	$	$
Operating Activities		
Net loss for the year/period	**(257,952)**	(172,354)
Adjustments for non-cash items:		
Shares issued for property acquisition (Note 11)	**-**	20,000
	(257,952)	(152,354)
Net change in non-cash working capital items:		
Other receivables	**(3,807)**	(957)
Accounts payable and accrued liabilities	**21,701**	12,176
Cash Flows (used in) Operating Activities	**(240,058)**	(141,135)
Financing Activities		
Proceeds from issuance of common shares (Note 6)	**170,000**	213,250
Proceeds from issuance of common shares on IPO (Note 6)	**575,000**	-
Share issuance costs (Note 6)	**(106,256)**	-
Cash Flows provided by Financing Activities	**638,744**	213,250
Increase in cash	**398,686**	72,115
Cash, beginning of year/period	**72,115**	-
Cash, end of year/period	**470,801**	72,115

The accompanying notes are an integral part of these financial statements

1. Nature of Operations and Going Concern

Corcel Exploration Inc. ("Corcel" or the "Company") was incorporated under the laws of the Province of British Columbia, Canada, on July 21, 2020. The Company was formed to engage in the business of acquiring, exploring, and evaluating mineral resource properties. On December 2, 2021, the Company completed its initial public offering (the "Offering") (see Note 6 for details), and effective December 3, 2021, the Company's common shares commenced trading under the ticker symbol "CRCL" on the Canadian Securities Exchange. The address of the Company's corporate office and principal place of business is 335-1632 Dickson Avenue, Kelowna, British Columbia, V1Y 7T2, Canada.

The Company's mineral resource properties are in the exploration stage and, as a result, the Company has no source of operating cash flow. The exploration and development of the Company's mineral resource properties depend on the ability of the Company to obtain financing.

The Company incurred a net loss of $257,952 for the year ended June 30, 2022 (Period from incorporation to June 30, 2021 – $172,354) and as at June 30, 2022, had an accumulated deficit of $430,306 (2021 – $172,354).

The Company's future viability depends upon the acquisition and financing of mineral exploration or other projects. If the mineral projects are to be successful, additional funds will be required for development and, if warranted, to place them into commercial production. The expected primary source of future funds presently available to the Company is through the issuance of common shares. The ability of the Company to arrange such financing will depend, in part, on prevailing market conditions as well as the business performance of the Company. These events and conditions indicate the existence of material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. There can be no assurance that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution.

Although the Company has taken steps to verify title to the mineral resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, undetected defects, unregistered claims, native land claims, and non-compliance with regulatory and environmental requirements.

These financial statements have been prepared on a going concern basis which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Realization values may be substantially different from carrying values as shown and the financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of Presentation

(a) Statement of Compliance

These financial statements, including comparatives, have been 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 accounting policies set out below were consistently applied to all periods presented unless otherwise noted.

These financial statements were reviewed, approved, and authorized for issuance by the Board of Directors (the "Board") of the Company on September 20, 2022.

(b) Basis of Measurement

These financial statements have been prepared in accordance with IFRS, on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. Basis of Presentation (continued)

(c) Functional Currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted. The functional currency is the currency of the primary economic environment in which the Company operates.

(d) Significant Accounting Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known. Items for which actual results may differ materially from these estimates are described as follows:

Going concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities on the consolidated statement of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Income taxes

Income taxes and tax exposures recognized in the consolidated financial statements reflect management's best estimate of the outcome based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profits, it assesses the probability of taxable profits being available in the future based on its budgeted forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses.

When the forecasts indicate the sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

Warrants

Warrants are initially recognized at fair value, based on the application of the Black-Scholes valuation model ("Black-Scholes"). This pricing model requires management to make various assumptions and estimates which are susceptible to uncertainty, including the expected volatility of the share price, expected forfeitures, expected dividend yield, expected term of the warrants or options, and expected risk-free interest rate.

2. Basis of Presentation (continued)

(d) Significant Accounting Judgments and Estimates (continued)

Provisions

The Company recognizes provisions if there is a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and the obligation can be reliably estimated. The amount recognized as a provision reflects management's best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

3. Summary of Significant Accounting Policies

(a) Cash

Cash on the statements of financial position comprises bank balances held in Canadian chartered banks, and funds held in trust with the Company's legal counsel which is available on demand.

(b) Financial Instruments

Financial assets and financial liabilities, including derivatives, are recognized on the statements of financial position when the Company becomes a party to the financial instrument or derivative contract.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: (a) those to be measured subsequently at fair value through profit or loss ("FVTPL"); (b) those to be measured subsequently at fair value through other comprehensive income ("FVTOCI"); and (c) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are recorded in profit or loss.

The Company reclassifies financial assets when its business model for managing those assets changes. Financial liabilities are not reclassified.

Fair value through profit or loss

This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVTOCI. This category would also include debt instruments whose cash flow characteristics fail the solely principal and interest ("SPPI") criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in profit or loss.

Financial assets at fair value through other comprehensive income

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in FVTOCI instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at FVTOCI are initially measured at fair value and changes therein are recognized in other comprehensive income (loss).

Amortized cost

This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. Financial asset classified in this category are measured at amortized cost using the effective interest method.

3. Summary of Significant Accounting Policies (continued)

(b) Financial Instruments (continued)

Classification (continued)

The Company's classification of financial assets and financial liabilities under IFRS 9 – Financial Instruments ("IFRS 9") are summarized below:

Cash	Amortized cost
Accounts payable	Amortized cost

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (loss) (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income (loss).

Impairment of financial assets

The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure ECL, accounts receivable has been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was 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 the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

3. Summary of Significant Accounting Policies (continued)

(b) Financial Instruments (continued)

Fair value hierarchy

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2022 and 2021, the Company did not have any financial instruments measured at fair value.

(c) Exploration and Evaluation Expenditures

The Company expenses exploration and evaluation ("E&E") expenditures as incurred. E&E expenditures include acquisition costs of mineral property rights, property option payments and E&E activities.

Once a project has been established as commercially viable, technically feasible and the decision to proceed with development has been approved by the Board, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations.

Capitalization ceases when the mine is capable of commercial production. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

(d) Restoration and Environmental Obligations

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred or expensed if it relates to E&E properties. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset or expenses with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statements of loss and comprehensive loss and comprehensive loss.

(e) Income Taxes

Income tax expense comprises current and deferred income tax expense. Current and deferred taxes are recognized in net loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income (loss).

Current income taxes

Current income taxes are recognized and measured at the amount expected to be recovered from, or payable to, the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

3. Summary of Significant Accounting Policies (continued)

(e) Income Taxes (continued)

Deferred income taxes

Deferred income taxes are recorded for temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of a deferred income tax asset is reviewed at the end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Unrecognized deferred income tax assets are reassessed at the end of the reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, they relate to income taxes levied by the same taxation authority and the Company has the legal rights and intent to offset.

(f) Equity

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 are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(g) Loss Per Share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year.

(h) Provisions

Provisions are recorded when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

As at June 30, 2022 and 2021, the Company had no material provisions.

(i) Related Party Transactions

Parties are considered to be 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. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. Summary of Significant Accounting Policies (continued)

(j) Adoption of New Accounting Policies

The Company adopted the following amendments, effective July 1, 2021. The changes were made in accordance with the applicable transitional provisions. The Company early-adopted these amendments and had assessed that there was no material impact upon their adoption on its financial statements:

Amendments to IAS 1 – Presentation of Financial Statements ("IAS 1")

In January 2020, the IASB issued amendments to IAS 1 which clarify the requirements for classifying liabilities as either current or non-current by: (i) specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists; (ii) clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services; (iii) clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and (iv) clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on an entity's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa, which could impact an entity's loan covenants. Because of this impact, the IASB has provided a longer effective date to allow entities to prepare for these amendments.

(k) Recent Accounting Pronouncements

As at the date of authorization of these financial statements, the IASB and the IFRIC had issued certain pronouncements that are mandatory for the Company's accounting periods commencing on or after July 1, 2022. Many are not applicable or do not have a significant impact to the Company, have been excluded. The Company had assessed that no material impact is expected upon the adoption of the following amendments on its financial statements:

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")

In May 2020, the IASB issued amendments to update IAS 37. The amendments specify that in assessing whether a contract is onerous under IAS 37, the cost of fulfilling a contract includes both the incremental costs and an allocation of costs that relate directly to contract activities. The amendments also include examples of costs that do, and do not, relate directly to a contract. These amendments are effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted.

Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

In February 2021, the IASB issued *Definition of Accounting Estimates*, which amended IAS 8. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The amendments to IAS 8 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted.

4. Other Receivables

The Company's other receivables balance represents amounts due from government taxation authorities in respect of the Goods and Services Tax/Harmonized Sales Tax. The Company anticipates full recovery of these amounts and therefore no ECL has been recorded against these receivables, which are due in less than one year.

(Expressed in Canadian Dollars)

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for trade purchases incurred in the normal course of business.

	June 30, 2022	June 30, 2021
	$	$
Accounts payable	**15,865**	8,176
Accrued liabilities	**18,012**	4,000
	33,877	12,176

The Company's standard term for trade payables is 30 to 60 days.

6. Share Capital

Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

Common shares issued and outstanding as at June 30, 2022 and 2021 are as follows:

	Number of common shares	Amount
	#	$
Balance, July 21, 2020	**-**	**-**
Issuance of common shares (i)	1,250,000	6,250
Issuance of common shares (ii)	8,500,000	170,000
Issuance of common shares for acquisition of E&E assets (Note 10)	1,000,000	20,000
Issuance of common shares (iii)	750,000	15,000
Issuance of common shares (iv)	1,100,000	22,000
Balance, June 30, 2021	**12,600,000**	**233,250**
Issuance of common shares (v)	3,400,000	170,000
Issuance of common shares (vi)	5,750,000	575,000
Share issuance costs	-	(130,411)
Balance, June 30, 2022	**21,750,000**	**847,839**

Share capital transactions for the period from incorporation to June 30, 2021

(i) On July 21, 2020, the Company issued 1,250,000 common shares, at a price of $0.005 per common share, for gross proceeds of $6,250.

(ii) On July 21, 2020, the Company issued 8,500,000 common shares, at a price of $0.02 per common share, for gross proceeds of $170,000.

(iii) On December 1, 2020, the Company issued 750,000 common shares, at a price of $0.02 per common share, for gross proceeds of $15,000.

(iv) On May 3, 2021, the Company issued 1,100,000 common shares, at a price of $0.02 per common share, for gross proceeds of $22,000.

Share capital transactions for the year ended June 30, 2022

(v) On August 6, 2021, the Company issued 3,400,000 common shares, at a price of $0.05 per common share, for gross proceeds of $170,000.

(Expressed in Canadian Dollars)

6. Share Capital (continued)

Share capital transactions for the year ended June 30, 2022 (continued)

(vi) On December 2, 2021, the Company completed the Offering of 5,750,000 common shares at a price of $0.10 per common share, for gross proceeds of $575,000. In connection with the Offering, the Company granted the agent (the "Agent") 460,000 non-transferrable share purchase warrants (the "Agent's Warrants") with each Agent's Warrant exercisable into one common share of the Company at the price of $0.10 until December 2, 2023. In addition, the Company paid total issuance costs of $106,256 comprised of (i) a cash commission of $46,000, representing 8% of the gross proceeds raised in the Offering, (ii) a corporate finance fee of $35,000, and (iii) a reimbursement to the Agent for legal expenses incurred of $25,256.

7. Loss per Share

Basic and diluted loss per share is calculated by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. For the year ended June 30, 2022, the basic and diluted loss per share was $0.014 (Period from incorporation to June 30, 2021 – loss of $0.015 per share). Currently, the Company's basic and diluted loss per share is the same, as warrants issued to date are anti-dilutive.

8. Warrants Reserve

In connection with the Offering which closed on December 2, 2021, the Company granted 460,000 Agent's Warrants, with each Agent's Warrant exercisable into one common share at the price of $0.10 until December 2, 2023. The grant date fair value of the Agent's Warrants issued was estimated to be $24,155 using the Black-Scholes valuation model with the following assumptions: expected volatility of 100% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 0.96% and an expected life of two years. On closing, issuance cost of $24,155 was allocated to warrants reserve.

The following table summarizes information of warrants outstanding as at June 30, 2022:

Date of expiry	**Number of warrants outstanding**	**Exercise price**	**Weighted average remaining life**
	#	**$**	**Years**
December 2, 2023	460,000	0.10	1.42
	460,000	**0.10**	**1.42**

9. Related Party Transactions

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee of the Board.

The remuneration of directors and other members of key management personnel during the year ended June 30, 2022 and the period from incorporation on July 21, 2020 to June 30, 2021 were as follows:

	Year ended June 30, 2022	For Period from Incorporation to June 30, 2021
	$	$
Professional fees	**30,000**	5,945
Director fees	**-**	7,500
	30,000	13,445

(Expressed in Canadian Dollars)

9. Related Party Transactions (continued)

During the year ended June 30, 2022, Branson Corporate Services Ltd. ("Branson"), where the Company's Chief Financial Officer ("CFO") is employed, charged fees of $30,000 (Period from incorporation to June 30, 2021 – $3,355), for CFO services provided to the Company, as well as other accounting and administrative services, which are included in professional fees. As at June 30, 2022, a balance of $3,150 (June 30, 2021 – $2,100) was owed to Branson and is included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the period from incorporation to June 30, 2021, the former CFO of the Company, charged fees of $2,590 for management services provided to the Company, as well as other accounting services, which are included in professional fees. As at June 30, 2022, no balance was owed to the former CFO (June 30, 2021 – $2,612; included in accounts payable and accrued liabilities).

During the period from incorporation to June 30, 2021, director fees consisted of a one-time signing bonus of $7,500 cash paid to a director upon joining the Board.

Other related party transactions

During the period from incorporation to June 30, 2021, certain officers, directors or entities controlled by them participated in the Company's issuance of common shares as described in Note 6 and subscribed for 2,250,000 shares, for total gross proceeds to the Company of $36,250.

10. Income Taxes

Provision for income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the effective tax rate is as follows:

	June 30, 2022	June 30, 2021
	$	$
(Loss) before income taxes	**(257,952)**	(172,354)
Combined statutory income tax rate	**26.5%**	26.5%
Expected income tax recovery based on statutory rate	**(68,357)**	(46,000)
Adjustment to expected income tax recovery		
Permanent differences and other	**(460)**	-
Share issue costs recorded in equity	**(22,527)**	-
Change in unrecorded deferred tax asset not recognized	**91,344**	46,000
Income tax expense	**-**	-

Deferred income tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying values of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	June 30, 2022	June 30, 2021
	$	$
Non-capital losses carried forward	**242,150**	51,000
Exploration and evaluation assets	**274,543**	121,000
Deferred tax asset	**516,693**	172,000
Less: Deferred tax assets not recognized	**(516,693)**	(172,000)
Deferred tax asset (liability)	**-**	-

(Expressed in Canadian Dollars)

10. Income Taxes (continued)

The tax losses of $242,150 fully expire in 2042. The other temporary differences do not expire under current legislation.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

11. Exploration and Evaluation Expenses

On August 4, 2020, the Company entered into an option agreement (the “Option Agreement”) with two individual vendors to acquire a 100% interest in the Peak Mineral Property located in British Columbia (the “Peak Property”) in exchange for 1,000,000 common shares of the Company with a fair value of $20,000 based on the price of the most recent private placement financing at the time.

Pursuant to the Option Agreement, the Company is required to spend $250,000 in exploration on the Peak Property:

(i) $100,000 by December 31, 2020 (completed); and
(ii) $150,000 by July 20, 2023.

A 2% royalty on net smelter returns (“NSR”) from all production by the Company at the Peak Property will be payable. The Company may purchase one-half (1/2) of the NSR for $1,000,000 at any time prior to specified milestones for commercial production.

During the year ended June 30, 2022 and the comparative period, the Company’s E&E expenses are comprised of the following:

	Year ended June 30, 2022	For Period from Incorporation to June 30, 2021
	$	$
Property acquisition costs	**-**	20,000
Airborne geophysical survey	**-**	101,319
Data compilation	**4,140**	-
Fieldwork	**64,079**	-
	68,219	121,319

12. Capital Management

The Company’s objectives when managing capital is to safeguard its ability to continue as a going concern and to maintain optimal returns to shareholders and benefits for its stakeholders. While the Company does not yet have any revenues, management monitors its capital structure and makes adjustments according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Board of the Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

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’s capital management objectives, policies and processes have remained unchanged since the Company’s most recent financial reporting period.

The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian Dollars)

13. Financial Instruments

The Company's financial instruments consist primarily of cash and accounts payable. The Company is exposed to various risks as it relates to these financial instruments. Management, under oversight of the Board, mitigates these risks by assessing and monitoring the Company's risk management processes. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of potential loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with reputable Canadian chartered banks and in trust with the Company's legal counsel, which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at June 30, 2022, the Company had a cash balance of $470,801 (June 30, 2021 – $72,115) to settle current liabilities of $33,877 (June 30, 2021 – $12,176).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at June 30, 2022:

	Carrying amount	**Year 1**	**Year 2 to 3**	**Year 4 to 5**
	$	**$**	**$**	**$**
Accounts payable and accrued liabilities	33,877	33,877	-	-

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring anticipated cash flows to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

With the proceeds from the Offering, management believes there is sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash position as at June 30, 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at June 30, 2022, the Company had no financial instruments which are interest-bearing, and had no hedging agreements in place with respect to floating interest rates. Management believes that the interest rate risk concentration with respect to financial instruments is minimal.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company's operations are based in Canada, but may have, from time to time, transactions denominated in foreign currencies. The Company's primary exposure to foreign exchange risk is that transactions denominated in foreign currency may expose the Company to the risk of exchange rate fluctuations. Based on its current operations, management believes that the foreign exchange risk remains minimal.

13. Financial Instruments (continued)

Fair value

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.

As at June 30, 2022, the Company's financial instruments consisted of cash, and accounts payable and accrued liabilities. The fair value of cash and accounts payables and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2022, the Company did not have any financial instruments which were carried at fair value (June 30, 2021 – $nil).

COVID-19

In December 2019, COVID-19 surfaced in Wuhan, China. The World Health Organization declared a global emergency on January 30, 2020 with respect to the outbreak then characterized it as a pandemic on March 11, 2020. The outbreak has spread globally, and it has continued to cause companies and various international jurisdictions to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. The duration of the business disruptions internationally and related financial impact to the global economy remains highly uncertain at this time, as COVID-19 continues to evolve.

The Company's operations had been impacted by a delay in projects and restricted access to financing, but management expects the situation to improve once lockdown restrictions will be lifted with vaccine roll-out. Ultimately, the extent to which the COVID-19 pandemic impacts the Company's financial results will depend on future developments, which remain highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 pandemic and actions taken to contain it or its impact, among others. These uncertainties arise from the inability to predict the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada, and other countries to fight the virus.

While the extent of the impact remains unknown, the Company anticipates this outbreak may cause supply chain disruptions, and increased government regulations, all of which may negatively impact the Company's business and financial condition.

(Expressed in Canadian Dollars)

14. Professional Fees

During the year ended June 30, 2022 and the comparative period, the Company's professional fees are comprised of the following:

	Year ended June 30, 2022	For Period from Incorporation to June 30, 2021
	$	$
Audit and accounting expenses	**57,020**	26,382
General legal expenses	**8,943**	16,867
Listing and filing fees related to IPO	**101,108**	-
	167,071	43,249

15. Contingencies

The Company's E&E activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. As at the date hereof, the Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make future expenditures to comply with such laws and regulations.