Corcel Exploration Inc.

Unaudited Condensed Interim Financial Statements

For the Three and Nine Months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

Notice to Reader

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

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management of the Company.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Corcel Exploration Inc.

Unaudited Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	As at March 31, 2023	As at June 30, 2022
	$ (Unaudited)	$ (Audited)
Assets		
Current Assets		
Cash	**352,118**	470,801
Other receivables (Note 4)	**11,158**	4,764
Total Assets	**363,276**	475,565
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 5 and 9)	**18,263**	33,877
Total Liabilities	**18,263**	33,877
Shareholders' Equity		
Share capital (Note 6)	**847,839**	847,839
Warrants reserve (Note 8)	**24,155**	24,155
Accumulated deficit	**(526,981)**	(430,306)
Total Shareholders' Equity	**345,013**	441,688
Total Liabilities and Shareholders' Equity	**363,276**	475,565

Nature of operations and going concern (Note 1)
Commitments (Note 10)
Contingencies (Note 14)

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 unaudited interim financial statements

Corcel Exploration Inc.

Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
For the Three and Nine Months ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Three Months ended March 31,		**Nine Months ended March 31,**	
	2023	2022	**2023**	2022
	$	$	**$**	$
Expenses				
Professional fees (Notes 9 and 13)	**15,400**	13,900	**61,487**	138,090
Exploration and evaluation expenses (Note 10)	**-**	-	**30,084**	4,140
Transfer agent fees	**1,251**	1,561	**4,383**	4,616
General and administrative	**177**	1,622	**721**	13,835
Net Loss and Comprehensive Loss	**(16,828)**	(17,083)	**(96,675)**	(160,681)
Weighted Average Number of Outstanding Shares – Basic and diluted	**21,750,000**	21,750,000	**21,750,000**	18,038,139
Net Loss per Share – Basic and Diluted (Note 7)	**(0.001)**	(0.001)	**(0.004)**	(0.009)

Corcel Exploration Inc.

Unaudited Condensed Interim Statements of Changes in Shareholders' Equity
For the Nine Months ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Warrants Reserve	Accumulated Deficit	Total
	#	$	$	$	$
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)	-	(8,260)	8,260	-	-
Net loss and comprehensive loss for the period	-	-	-	(160,681)	(160,681)
Balance, March 31, 2022	**21,750,000**	**863,734**	**8,260**	**(333,035)**	**538,959**
Balance, June 30, 2022	**21,750,000**	**847,839**	**24,155**	**(430,306)**	**441,688**
Net loss and comprehensive loss for the period	-	-	-	(96,675)	(96,675)
Balance, March 31, 2023	**21,750,000**	**847,839**	**24,155**	**(526,981)**	**345,013**

The accompanying notes are an integral part of these unaudited interim financial statements

Corcel Exploration Inc.
Unaudited Condensed Interim Statements of Cash Flows
For the Three and Nine Months ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Three Months ended March 31,		Nine Months ended March 31,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Operating Activities				
Net loss for the period	**(16,828)**	(17,082)	**(96,675)**	(160,681)
Net change in non-cash working capital items:				
Other receivables	**(637)**	(777)	**(6,394)**	(9,370)
Prepaid expenses and advance	**-**	-	**-**	957
Accounts payable and accrued liabilities	**3,693**	(17,772)	**(15,614)**	(1,868)
Cash Flows (used in) Operating Activities	**(13,772)**	(35,631)	**(118,683)**	(170,962)
Financing Activities				
Proceeds from issuance of common shares (Note 6)	**-**	-	**-**	170,000
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
(Decrease) increase in cash	**(13,772)**	(35,631)	**(118,683)**	467,782
Cash, beginning of period	**365,890**	575,528	**470,801**	72,115
Cash, end of period	**352,118**	539,897	**352,118**	539,897

The accompanying notes are an integral part of these unaudited interim 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"), 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'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 unaudited condensed interim 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 unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting ("IAS 34").

These unaudited condensed interim financial statements were reviewed, approved, and authorized for issuance by the Board of Directors (the "Board") of the Company on May 4, 2023.

(b) Basis of Measurement

These unaudited condensed interim financial statements have been prepared in accordance with IFRS, on the historical cost basis. In addition, these unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends. Management believes there is sufficient capital to meet the Company's business obligations for at least the next 12 months, after taking into account expected cash flows, capital commitments, future financing and the Company's cash position at period-end.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities on the statements 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.

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.

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.

(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies

The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those noted in the Company's audited financial statements for the year ended June 30, 2022 and the period from incorporation on July 21, 2020 to June 30, 2021, unless otherwise noted below.

(a) Adoption of New Accounting Policies

The Company adopted the following amendments, effective July 1, 2022. The changes were made in accordance with the applicable transitional provisions. The Company adopted these amendments and had assessed that there was no material impact upon their adoption 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.

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. The Company early-adopted these amendments as 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 expected credit losses have been recorded against these receivables, which are due in less than one year.

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.

	March 31, 2023	June 30, 2022
	$	$
Accounts payable	**6,263**	15,865
Accrued liabilities	**12,000**	18,012
	18,263	33,877

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

(Expressed in Canadian Dollars)

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 March 31, 2023 and June 30, 2022 are as follows:

	March 31, 2023	June 30, 2022
	$	$
Issued: 21,750,000 common shares (June 30, 2022 – 21,750,000 common shares)	**847,839**	847,839

Share capital transactions for the nine months ended March 31, 2023

There were no share capital transactions for the nine months ended March 31, 2023.

Share capital transactions for the nine months ended March 31, 2022

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.

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 three and nine months ended March 31, 2023, the basic and diluted loss per share was $0.001 and $0.004, respectively (2022 – loss of $0.001 and $0.009 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 Black-Scholes 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 March 31, 2023:

Date of expiry	**Number of warrants outstanding**	**Exercise Price**	**Weighted average remaining life**
	#	**$**	**Years**
December 2, 2023	460,000	0.10	0.67
	460,000	**0.10**	**0.67**

(Expressed in Canadian Dollars)

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 members of key management personnel during the three and nine months ended March 31, 2023 and 2022 were as follows:

	Three Months ended March 31,		**Nine Months ended March 31,**	
	2023	2022	**2023**	2022
	$	$	**$**	$
Professional fees	**9,000**	9,000	**21,000**	21,000
	9,000	9,000	**12,000**	21,000

During the three and nine months ended March 31, 2023, Branson Corporate Services Ltd. ("Branson"), where the Company's Chief Financial Officer ("CFO") is employed, charged fees of $9,000 and $21,000, respectively (2022 – $9,000 and $21,000), for CFO services provided to the Company, as well as other accounting and administrative services, which are included in professional fees. As at March 31, 2023, a balance of $3,150 (June 30, 2022 – $3,150) 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.

10. 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 (the "Peak Property") located in the Province of British Columbia, 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 three and nine months ended March 31, 2023 and 2022, the Company's exploration and evaluation ("E&E") expenses are comprised of the following:

	Three Months ended March 31,		**Nine Months ended March 31,**	
	2023	2022	**2023**	2022
	$	$	**$**	$
Field program	**-**	-	**29,899**	-
Claim registration	**-**	-	**185**	-
Data compilation	**-**	-	**-**	4,140
	-	-	**30,084**	4,140

(Expressed in Canadian Dollars)

11. Capital Management

The Company's objectives when managing capital are 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.

12. Financial Instruments

The Company's financial instruments consist primarily of cash, and accounts payable and accrued liabilities. 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 a reputable Canadian chartered bank, 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 March 31, 2023, the Company had a cash balance of $352,118 (June 30, 2022 – $470,801) to settle current liabilities of $18,263 (June 30, 2022 – $33,877).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at March 31, 2023:

	Carrying amount	Year 1	Year 2 to 3	Year 4 to 5
	$	$	$	$
Accounts payable and accrued liabilities	18,263	18,263	-	-

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 March 31, 2023.

(Expressed in Canadian Dollars)

12. Financial Instruments (continued)

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 March 31, 2023, 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 does not anticipate a high volume of transactions to be denominated in foreign currencies and believes that the foreign exchange risk remains minimal.

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 March 31, 2023, 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 March 31, 2023, the Company did not have any financial instruments which were carried at fair value (June 30, 2022 – $nil).

13. Professional Fees

During the three and nine months ended March 31, 2023 and 2022, the Company's professional fees are comprised of the following:

	Three Months ended March 31,		**Nine Months ended March 31,**	
	2023	2022	**2023**	2022
	$	$	**$**	$
Audit and accounting expenses	**13,000**	11,500	**43,626**	39,300
General legal expenses	**-**	-	**-**	8,943
Consulting fees	**-**	-	**2,520**	-
Listing and filing fees	**2,400**	2,400	**15,341**	89,847
	15,400	13,900	**61,487**	138,090

14. 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.