SCOUT MINERALS CORP.

(an exploration-stage company)

Consolidated Financial Statements

For the year ended December 31, 2022 and the period from Incorporation on October 26, 2021 to December 31, 2021

(Expressed in Canadian dollars)

DeVISSER GRAY LLP
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Scout Minerals Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Scout Minerals Corp. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2022 and the period from incorporation on October 26, 2021 to December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our 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 2 in the consolidated financial statements, which indicates that the Company has not generated any revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future. As stated in Note 2, the Company's ability to continue as a going concern is dependent upon its ability to successfully raise capital. These matters, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is James Roxburgh.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
April 27, 2023

Scout Minerals Corp.
Consolidated Statements of Financial Position
As at December 31, 2022 and 2021
(Expressed in Canadian dollars)

	Note		December 31, 2022		December 31, 2021
ASSETS					
Current assets					
Cash		$	173,547	$	197,091
Total current assets			**173,547**		**197,091**
Mineral property interest	5		62,500		-
TOTAL ASSETS		**$**	**236,047**	**$**	**197,091**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	6	$	68,226	$	5,007
TOTAL LIABILITIES			**68,226**		**5,007**
SHAREHOLDERS' EQUITY					
Share capital	7		354,206		197,100
Contributed surplus	7(e)		8,241		-
Accumulated deficit			(194,626)		(5,016)
Total shareholders' equity			**167,821**		**192,084**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**236,047**	**$**	**197,091**

Nature of Operations (Note 1)
Subsequent Events (Notes 7(e) and 13)

Approved and Authorized by the Board of Directors on April 27, 2023:

"Jeffrey Wilson" Director *"Trevor Nawalkowski"* Director

The accompanying notes form an integral part of these consolidated financial statements

Scout Minerals Corp.
Consolidated Statements of Loss and Comprehensive Loss
For the year ended December 31, 2022 and the period from Incorporation on October 26, 2021 to December 31, 2021
(Expressed in Canadian dollars)

	Note		For the year ended December 31, 2022		For the period from Incorporation on October 26, 2021 to December 31, 2021
OPERATING EXPENSES					
Exploration and evaluation expenditures	5	$	105,720	$	-
Professional fees			39,459		5,000
Listing and filing fees			31,745		-
Share-based compensation	7(e)		8,241		-
Amalgamation expense	7(b)		4,000		-
Administrative expense			702		16
Total operating expenses			(189,867)		(5,016)
OTHER INCOME					
Interest income			257		-
NET LOSS AND COMPREHENSIVE LOSS		**$**	**(189,610)**	**$**	**(5,016)**
Basic and diluted loss per common share	7(f)	$	(0.01)	$	(0.00)
Weighted average number of common shares outstanding – basic and diluted	7(f)		**13,853,315**		**7,581,816**

The accompanying notes form an integral part of these consolidated financial statements

Scout Minerals Corp.
Consolidated Statement of Changes in Equity
For the year ended December 31, 2022 and the period from Incorporation on October 26, 2021 to December 31, 2021
(Expressed in Canadian dollars)

	Common shares	Share capital $	Contributed surplus $	Accumulated deficit $	Total shareholders' equity $
Balance at October 26, 2021	**-**	**-**	**-**	**-**	**-**
Incorporation share	1	1	-	-	1
Cancellation of incorporation share	(1)	(1)	-	-	(1)
Private placements (Note 7(b))	12,479,997	197,100	-	-	197,100
Net loss for the period	-	-	-	(5,016)	(5,016)
Balance at December 31, 2021	**12,479,997**	**197,100**	**-**	**(5,016)**	**192,084**
Common shares issued upon redemption of special warrants (Note 7(b, d))	2,303,000	156,301	-	-	156,301
Common shares issued pursuant to amalgamation (Note 1, 7(b))	200,000	4,000	-	-	4,000
Share issuance costs (Note 7(b))	-	(3,195)	-	-	(3,195)
Share-based compensation (Note 7(e))	-	-	8,241	-	8,241
Net loss for the year	-	-	-	(189,610)	(189,610)
Balance at December 31, 2022	**14,982,997**	**354,206**	**8,241**	**(194,626)**	**167,821**

The accompanying notes form an integral part of these consolidated financial statements

Scout Minerals Corp.
Consolidated Statements of Cash Flows
For the year ended December 31, 2022 and the period from Incorporation on October 26, 2021 to December 31, 2021
(Expressed in Canadian dollars)

Cash provided by (used in)		**For the year ended December 31, 2022**		**For the period from Incorporation on October 26, 2021 to December 31, 2021**
Cash flows used in operating activities				
Net loss for the period	$	(189,610)	$	(5,016)
Non-cash transactions:				
Amalgamation expense		4,000		-
Share-based compensation		8,241		-
Changes in operating assets and liabilities:				
Accounts payable and accrued liabilities		63,219		5,007
Net cash used in operating activities		**(114,150)**		**(9)**
Cash flows used in investing activities				
Option payment for mineral property interest		(62,500)		-
Net cash used in investing activities		**(62,500)**		**-**
Cash flows provided by financing activities				
Issuance of special warrants		156,301		-
Share issuance costs		(3,195)		-
Issuance of common shares		-		197,100
Net cash provided by financing activities		**153,106**		**197,100**
Increase (decrease) in cash		(23,544)		197,091
Cash, beginning of period		197,091		-
Cash, end of period	**$**	**173,547**	**$**	**197,091**

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS

Scout Minerals Corp. (the "Company") was incorporated in the Province of British Columbia, Canada on October 26, 2021, under the Business Corporations Act (British Columbia). The Company is domiciled in Canada and has been focused since incorporation on the acquisition of mineral property interests for the purposes of exploration and development. The Company commenced trading on the Canadian Securities Exchange ("CSE") on July 14, 2022 under the stock symbol "SCTM".

The Company's head office along with registered and records office is located at 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7.

Amalgamation Transaction

The Company entered into an amalgamation agreement dated January 10, 2022 (the "Amalgamation Agreement") with Chara Capital Corp. ("Chara"), and 1341715 B.C. Ltd. ("1341715"), a wholly-owned subsidiary of the Company incorporated on January 10, 2022. Pursuant to the Amalgamation Agreement, Chara and 1341715 amalgamated (the "Amalgamation") to form 1342683 B.C. Ltd. ("Amalco").

The Company issued the following consideration with the following effect:

- One common share of the Company in exchange for each of the 187,500 Class B common shares of Chara issued and outstanding at the time of the Amalgamation; and
- One common share of the Company in exchange for each of the 12,500 Class A common shares of Chara issued and outstanding at the time of the Amalgamation.

The 200,000 common shares issued by the Company pursuant to the Amalgamation were valued at $4,000 (Note 7(b)). The acquisition and amalgamation did not constitute a business combination under IFRS 3, *Business Combinations*. Because 1342683 BC Ltd. had no significant assets or liabilities; the $4,000 was accounted for as a non-cash "amalgamation expense" on the consolidated statements of loss and comprehensive loss.

Pursuant to the Amalgamation, the one common share in the capital of 1341715 was cancelled and replaced by one common share in the capital of Amalco. The Amalgamation took effect January 13, 2022.

2. BASIS OF PRESENTATION

Statement of Compliance

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

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on April 27, 2023.

Basis of Consolidation

These consolidated financial statements include the financial statements of the parent company, Scout Minerals Corp., and, pursuant to having completed the Amalgamation, its one subsidiary, 1342683 B.C. Ltd.

A subsidiary is an entity over which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. A subsidiary is consolidated from the date upon which control is acquired by the Company and all intercompany transactions have been eliminated upon consolidation.

2. BASIS OF PRESENTATION (CONTINUED)

Going Concern

These consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

At December 31, 2022, the Company had an accumulated deficit of $194,626 (2021 - $5,016) and working capital of $105,321 (2021 - $192,084). The Company has not generated any revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future.

The Company's continuation as a going concern depends on its ability to successfully raise capital. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company; therefore giving rise to a material uncertainty which may cast significant doubt as to whether the Company's cash resources and working capital will be sufficient to enable the Company to continue as a going concern for the 12-month period after the date of these consolidated financial statements. Consequently, management is pursuing various financing alternatives to fund operations and advance its business plan. To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company may determine to reduce the level of activity and expenditures to preserve working capital and alleviate any going concern risk.

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Covid-19

In March 2020, the World Health Organization declared coronavirus COVID-19 ("COVID-19") a global pandemic. This contagious disease outbreak, which has continued to mutate and spread has adversely affected workforces, economies, and financial markets globally, giving rise to broad market volatility and uncertainty. The effect of the COVID-19 virus, the impact of mutations and variants thereof, and the actions recommended to combat the virus are changing constantly. As of the date these consolidated financial statements are issued, management doesn't believe that COVID-19 (or the government's response thereto) has had a negative impact on the Company's operations but are aware that it may impact the Company's ability to raise money, or its ability to access and explore its properties should travel restrictions be reintroduced or expanded in scope. It is not possible for the Company to predict the duration, evolution, or magnitude of the adverse results of the outbreak or its effects on the Company's business or ability to raise funds.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used in the preparation of these consolidated financial statements are set out below.

a) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets classified as at fair value through profit or loss which are measured at fair value. These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b) Foreign exchange

The presentation currency of these consolidated financial statements is the Canadian dollar ("CAD").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Foreign exchange (continued)

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The Company raises its financing and incurs head office expenditures in CAD, giving rise to a CAD functional currency.

In preparing the consolidated financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are in a currency other than CAD are translated at the rates prevailing at that date, giving rise to foreign exchange gains and losses in the statement of loss. Non-monetary assets and liabilities are translated at historical rates, being the rate on the date of the transaction. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in this case, the exchange rates at the dates of the transactions are used. Equity transactions are translated using the exchange rate at the date of the transaction.

c) Cash

The Company considers cash in banks, deposits in transit, and highly liquid term deposits with original maturities of three months or less to be cash. Because of the short maturity of these instruments, the carrying amounts approximate their fair value. Restricted cash, if any, is excluded from cash and cash equivalents and is included in long-term assets.

d) Mineral property acquisition costs and exploration and development expenditures

Mineral property acquisition costs are capitalized until the viability of the mineral interest is determined. Capitalized amounts may be written down if future cash flows, including potential sales proceeds, related to the property are estimated to be less than the carrying value of the property.

The Company's policy is to expense, as incurred, due diligence and mineral property assessment expenditures, and upon successful acquisition of a mineral property, exploration and evaluation expenditures incurred until the mineral property reaches the development stage.

e) Income taxes

The Company uses the statement of financial position 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 consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

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. Deferred income tax assets also result from unused loss carry forwards, resource related 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 not probable that the related tax benefit will be realized.

f) Resource tax credits

The Company recognizes resource tax credit amounts when the Company's application for such credits is approved by the relevant jurisdiction or when the amount to be received can be reasonably estimated and collection is reasonably assured. Resource tax credit amounts are accounted for as a credit to exploration and evaluation expenditures in the statement of loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Loss per share

Loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of the Company's common shares outstanding during the reporting period. The calculation of diluted earnings per share assumes that outstanding options and warrants (if any) are exercised and the proceeds are used to repurchase shares at the average market price of the shares for the period. The effect is to increase the number of shares used to calculate diluted earnings per share relative to basic earnings per share and is only recognized when the effect is dilutive.

h) Financial assets and liabilities

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVOCI") 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 FVOCI. 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.

The Company classifies its financial instruments as follows:

Financial assets/liabilities	
Cash	Amortized cost
Accounts payable and accrued liabilities	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 statement 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 statement of loss and comprehensive loss in the period in which they arise.

Financial assets and liabilities at FVOCI

Financial assets carried at FVOCI are initially recorded at fair value. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in the consolidated statement of loss and comprehensive loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial assets and liabilities (continued)

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 statement 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 statement of loss and comprehensive loss.

i) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in private placements to be the more easily measurable component of unit offerings and the common shares are valued at their fair value. The balance, if any, is allocated to any attached warrants or other features. Any fair value attributed to warrants is recorded as contributed surplus.

j) Share-based compensation

Share-based compensation to employees is measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the contributed surplus or share capital. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest. Over the vesting period, share-based compensation is recorded as an operating expense and as contributed surplus. When options are exercised, the consideration received is recorded as share capital and the related share-based compensation originally recorded as contributed surplus is transferred to share capital.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Recently adopted accounting standards and pronouncements

On February 12, 2021, the IASB issued, "Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)" providing guidance intended to help preparers in deciding which accounting policies to disclose in their financial statements. IAS 1, "Presentation of Financial Statements" ("IAS 1") has been amended in the following ways:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of what was outlined as a 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1. Although the amendment guidance is effective for annual periods beginning on or after January 1, 2023, the Company has early adopted this updated disclosure beginning January 1, 2022.

l) Accounting policies not yet adopted

On January 23, 2020, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, to clarify the classification of liabilities as current or non-current. On July 15, 2020, the IASB issued an amendment to defer the effective date by one year. For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option. The amendments state that: - settlement of a liability includes transferring a company's own equity instruments to the counterparty, and - when classifying liabilities as current or non-current a company can ignore only those conversion options that are recognized as equity. The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted.

The Company is currently assessing the impact of the standard on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. The Company bases its estimates and assumptions on current facts, limited historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. The valuation technique requires the input of subjective assumption including expected price volatility, interest rate, forfeiture rate, dividend yield and expected life. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and contributed surplus.

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Impairment of mineral property interest

Critical judgment is involved in determining whether there are any indications of impairment for the mineral property interest and may require significant measurement uncertainty.

5. EXPLORATION PROPERTY INTEREST

On January 27, 2022, the Company entered into a mineral property option agreement (the "Option Agreement") with 1218802 B.C. Ltd. (the "Optionor"), providing the Company the ability to acquire a 75% interest in certain mining claims making up the McKinney exploration property located in the Greenwood Mining Division, British Columbia, Canada ("McKinney").

As of December 31, 2022, the following cash payments had been capitalized relating to the acquisition of McKinney.

Acquisition costs		
Balance, December 31, 2021	$	-
Acquisition cost payment		17,500
Go Public Transaction milestone payment		45,000
Acquisition costs paid at December 31, 2022	$	62,500

To acquire the 75% interest, the Company must pay / issue to the Optionor the following remaining consideration:

Cash payments		
• on the 12-month anniversary of the Go Public Transaction	$	50,000
• on the 24-month anniversary of the Go Public Transaction	$	75,000
• on the 36-month anniversary of the Go Public Transaction	$	100,000
Common share issuances		
• on the 12-month anniversary of the Go Public Transaction		250,000 Common shares
• on the 24-month anniversary of the Go Public Transaction		350,000 Common shares
• on the 36-month anniversary of the Go Public Transaction		500,000 Common shares
		1,100,000 Common shares

The option agreement was subsequently amended in an extension letter dated January 26, 2023, to extend the date of the 12-month anniversary of the Go Public Transaction to June 30, 2023, thus extending the deadline of the payment of $50,000 and the issuance of 250,000 common shares to June 30, 2023. As consideration for the foregoing amendments, the Optionee agreed to pay the Optionor $5,000 within 30 days of acceptance of the extension letter.

Satisfaction of the Option Agreement also requires the Company to incur a minimum of $100,000 of exploration expenditures on McKinney on or before the 12-month anniversary of the Go Public Transaction; and a further $400,000 of exploration expenditures on or before the 36-month anniversary of the Go Public Transaction. Cash payments in lieu of a shortfall in exploration expenditures for a given period may be made by the Company to the Optionor.

Upon satisfaction of the Option Agreement, the Optionor will retain a 2% net smelter return royalty interest ("NSR") on the property, of which the Company will have the right at any time, to repurchase half the NSR (or 1%), for $1,000,000.

(Expressed in Canadian dollars)

5. EXPLORATION PROPERTY INTEREST (CONTINUED)

Exploration and evaluation expenditures have been expensed in the consolidated statements of loss and comprehensive loss. Details of exploration and evaluation activities at McKinney, and related expenditures, incurred are as follows:

		Year ended December 31, 2022
Geological services	$	55,414
Administration and maintenance		32,039
Geophysics and geochemistry		18,267
Exploration expenditures for the year		105,720
Cumulative balance	$	105,720

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		As at December 31, 2022		As at December 31, 2021
Accounts payable	$	56,362	$	-
Accrued liabilities		11,864		5,007
	$	68,226	$	5,007

7. SHARE CAPITAL

a) Authorized

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

b) Issued

For the year ended December 31, 2022:

On January 13, 2022, pursuant to the Amalgamation (Note 1), the Company issued 200,000 common shares with a fair value of $4,000 which was determined with reference to the price of the common shares issued on December 1, 2021.

On June 28, 2022, pursuant to the receipt by the British Columbia Securities Commission of the Company's long form prospectus qualifying the distribution of 2,303,000 units resultant from the conversion of the previously issued Special Warrants (see Note 7(d)), the Company issued 2,303,000 common shares and common share purchase warrants ("Warrants") for no additional consideration. A total of $3,195 in share issue costs were recorded in connection with the issuance arising from the conversion of the special warrants and qualification of the common shares.

As at December 31, 2022, the Company holds 164,475 common shares in escrow pursuant to the rules of the CSE.

For the period from Incorporation on October 26, 2021 to December 31, 2021:

On October 26, 2021, the Company completed a non-brokered private placement, issuing in aggregate 3,499,998 common shares at a price of $0.005 per common share for gross proceeds of $17,500. There was no associated share issued costs.

On December 1, 2021, the Company completed a non-brokered private placement of 8,979,999 units ("Units") at a price of $0.02 per unit for gross proceeds of $179,600, with each unit comprising one common share and one common share purchase warrant ("Warrant"). Each Warrant issued in the seed financing is exercisable into one common share for a period of two years at an exercise price of $0.10. There was no value ascribed to the warrants. There were no associated share issue costs.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (CONTINUED)

c) *Warrants*

A summary of the changes in the number of warrants is as follows:

	Number of warrants	Weighted-average exercise price
Balance, October 25, 2021	-	$ -
Issued	8,979,999	$ 0.10
Balance, December 31, 2021	8,979,999	$ 0.10
Issued on conversion of special warrants (Note 7(d))[1]	2,303,000	$ 0.118
Balance, December 31, 2022	11,282,999	$ 0.104

[1] Issued on June 28, 2022, pursuant to conversion of special warrants (see Note 7(d)); each warrant is exercisable into a common share for a period of two years from the date of issue and have exercise prices of $0.10 or $0.15.

As of December 31, 2022, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
8,979,999	$ 0.10	December 1, 2023
1,479,979	$ 0.10	June 28, 2024
823,021	$ 0.15	June 28, 2024
11,282,999		

As at December 31, 2022, the Company holds 108,000 warrants in escrow pursuant to the rules of the CSE.

As of December 31, 2022, the weighted-average remaining life of the outstanding warrants was 1.04 years (December 31, 2021: 1.92 years).

d) *Special Warrants*

As at December 31, 2022 all previously issued special warrants (in aggregate, 2,303,000; December 31, 2021: nil), had been converted. A summary of special warrant transactions is as follows:

					Converted to number of	
Date of issue	Number of special warrants	Price per special warrant	Aggregate gross proceeds	Date of conversion	Common shares (Note 7(b))	Warrants (Note 7(b))
January 20, 2022	1,479,979	$0.05	$73,999	June 28, 2022	1,479,979	1,479,979
February 15, 2022	823,021	$0.10	$82,302	June 28, 2022	823,021	823,021

Gross proceeds of $156,301 were recorded to equity from the issuance of the special warrants.

e) *Stock options*

The Company has a Stock Option Plan (the "Plan") under which directors, employees and consultants are eligible to receive stock option ("Option") grants.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (CONTINUED)

e) *Stock options (continued)*

Under the Plan, the exercise price of each Option, which is solely payable in cash, is determined by the Board at the time of grant and cannot be less than the price permitted by whichever stock exchange on which the common shares are listed for trading. The CSE requires that the exercise price of Options must be equal to or greater than the discounted market price (as defined in the policies of the CSE). The Board has the discretion to determine the term (to a maximum of 10 years), and vesting provisions of any Options granted under the Plan at the time of grant, subject to the policies of the CSE. The maximum number of outstanding Options under the Plan is limited to 10% of the number of issued and outstanding common shares.

On February 15, 2022, the Company awarded 50,000 Options to certain directors of the Company (Note 8). Each Option has a 2-year term from the date of the award, vested upon issuance, and is exercisable at a price of $0.10 per common share. The weighted average fair value of the 50,000 Options was estimated at $0.0528 per Option at the grant date using the Black-Scholes Pricing Model ("Black-Scholes") using the following assumptions: no expected dividends to be paid; volatility of 100%; risk-free interest rate of 1.55%; and expected life of 2 years. However, pursuant to the resignation of one of the recipients, 25,000 Options were forfeited on August 9, 2022. Share-based compensation of $2,640 was recognized during the year ended December 31, 2022 in relation to the 50,000 Options issued.

On August 24, 2022, the Company awarded an aggregate of 105,000 Options to certain officers and directors of the Company (Note 8). Each Option has a 3-year term from the date of the award and is exercisable at a price of $0.10 per common share. 45,000 of the Options awarded vested immediately and the remaining 60,000 Options vest in thirds over the course of the 9 months following the date of the award. The weighted average fair value of the 105,000 Options was estimated at $0.0633 per Option at the grant date using Black-Scholes using the following assumptions: no expected dividends to be paid; volatility of 100%; risk-free interest rate of 3.44%; and expected life of 3 years. However, pursuant to the resignation of one of the recipients subsequent to December 31, 2022, 20,000 Options were forfeited on February 23, 2023, and a further 60,000 Options will be forfeited on May 23, 2023 (see Note 13). Share-based compensation of $5,601 was recognized during the year ended December 31, 2022 in relation to the 105,000 Options issued.

The following is a summary of the Company's Options for the period from Incorporation on October 26, 2021 to December 31, 2021, and the year ended December 31, 2022:

	Number of Options	Weighted-average exercise price
Balance, October 26, 2021, and December 31, 2021	-	$ -
Issued	155,000	0.10
Forfeited	(25,000)	0.10
Balance, December 31, 2022	130,000	$ 0.10

The weighted average remaining life for the outstanding options at December 31, 2022 is 2.36 years.

f) *Basic and diluted loss per common share*

There were no in-the-money dilutive securities outstanding as at December 31, 2022.

Loss per share is calculated as follows:

	For the year ended December 31, 2022	For the period from Incorporation on October 26, 2021 to December 31, 2021
Loss attributable to shareholders	$ (189,610)	$ (5,016)
Basic and diluted weighted average number of shares outstanding	13,853,315	7,581,816
Loss per share	$ (0.01)	$ (0.00)

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed terms of repayments.

No amount was paid by the Company to any members of the Board, or the President and Chief Executive Officer ("CEO"). The Chief Financial Officer ("CFO") provided bookkeeping services for the year ended December 31, 2022 valued at $2,500 (Period from incorporation on October 26, 2021 to December 31, 2021 - $Nil). No amount remained payable at December 31, 2022 (December 31, 2021 - $Nil).

Three of the Company's directors and one of the Company's officers were awarded Options during the year ended December 31, 2022 (in aggregate, 155,000 Options). In respect of the Options issued to related parties, the Company recognized Share-based compensation of $8,241 during the year (Period from incorporation on October 26, 2021 to December 31, 2021 - $Nil). Subsequently, 45,000 of those Options were forfeited pursuant to the resignation of certain officers and directors, and a further 60,000 Options will expire on May 23, 2023 (Notes 7(e) and 13).

Directors and officers of the Company purchased an aggregate of 60,000 special warrants ($3,000), which were subsequently converted to 60,000 common shares and 60,000 warrants during the year ended December 31, 2022. (Note 7(d)).

9. INCOME TAXES

a) Provision for income taxes:

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

	For the year ended December 31, 2022	For the period from Incorporation on October 26, 2021 to December 31, 2021
	$	$
Loss before income taxes	(189,610)	(5,016)
Combined federal and provincial income tax rate	27%	27%
Expected income tax recovery	(51,195)	(1,354)
Non-deductible expenditures	3,305	-
Share issuance costs	(863)	-
Benefit not recognized and other	48,753	1,354
Income tax expense	-	-

(Expressed in Canadian dollars)

9. INCOME TAXES (CONTINUED)

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

	For the year ended December 31, 2022	For the period from Incorporation on October 26, 2021 to December 31, 2021
	$	$
Non-capital losses carried forward	49,417	1,354
Share issuance costs	690	-
	50,107	1,354
Unrecognized deferred tax assets	(50,107)	(1,354)
Net deferred tax assets	-	-

There are no income taxes owed by the Company at December 31, 2022.

As at December 31, 2022, the Company had available for deduction against future taxable income in Canada, non-capital losses of approximately $183,025, expiring between 2041 and 2042.

10. SEGMENT INFORMATION

Reportable segments are those operations whose operating results are reviewed by the chief operating decision maker, being the individual at the Company making decisions about resources to be allocated to a particular segment, and assessing performance provided those operations pass certain quantitative thresholds.

The Company undertakes administrative activities in Canada, and is engaged in the acquisition, and potential exploration, and evaluation of mineral property interests. The Company’s operations are in one geographic and only one commercial segments.

The net loss for the year ended December 31, 2022, and the total assets attributable to the geographical locations, as at December 31, 2022, relate only to operations in Canada.

11. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company’s financial instruments consist of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

The financial instrument which potentially subjects the Company to concentration of credit risk is cash. As at December 31, 2022, the balance of cash held on deposit was $173,547. The Company has not experienced any losses in such amounts and believes it is not exposed to any significant risks on its cash in bank accounts.

11. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and the Company's holdings of cash. In the long term, the Company may have to issue additional shares to ensure there is sufficient capital to meet long term objectives.

The Company's financial liabilities of accounts payable and accrued liabilities are payable without repayment terms and are to be funded from cash provided by private placement financings.

12. MANAGEMENT OF CAPITAL RISK

The Company relies upon management to manage capital in order to accomplish the objective of safeguarding the Company's ability to continue as a going concern and actively commence operations at McKinney, continue to satisfy the terms of the Option Agreement, and maintain a capital structure which optimizes the costs of capital at an acceptable risk. The Company's current capital consists of equity funding through private issuances of common shares. As the Company is currently in the exploration phase none of its financial instruments are exposed to commodity price risk; however, the Company's ability to obtain long-term financing and its economic viability may be affected by commodity price volatility. To facilitate the management of its capital requirements, the Company expects to undertake an annual budget process that will be updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

13. SUBSEQUENT EVENTS

On January 26, 2023, the Company amended its Option Agreement for the McKinney Property in an extension letter to extend the date of the 12-month anniversary of the Listing Date to June 30, 2023, thus extending the deadline of the payment of $50,000 and the issuance of 250,000 Shares to June 30, 2023. As consideration for the foregoing amendments, the Optionee agreed to pay the Optionor $5,000 within 30 days of acceptance of the extension letter.

On February 23, 2023, the CFO and Corporate Secretary of the Company resigned. At the time of their resignation, the CFO forfeited 20,000 of their Options which had not yet vested.

On February 23, 2023, the Company appointed a new CFO and a new Director.

On April 6, 2023, the Company entered into a Claims Sales Agreement (the "Sales Agreement") whereby the Company acquired 3,840 mineral claims known as North Shore claims, located in Quebec, Canada. Per the terms of the Sales Agreement, the Company agreed to pay cash consideration of $1,200,000 and issue 8,000,000 common shares to the sellers to acquire the North Shore claims. The sellers will retain a 1.0% net smelter return ("NSR") royalty on the North Shore claims.

On April 21, 2023, 1,803,313 warrants were exercised for gross proceeds of $183,074.