Targa Exploration Corp.

Consolidated Financial Statements

For the years ended March 31, 2023 and 2022

(Expressed in Canadian dollars)

DeVISSER GRAY LLP
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Targa Exploration Corp.

Report on the Audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Targa Exploration Corp. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, 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 March 31, 2023 and 2022, and its financial performance and its cash flows for the years 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 1 in the consolidated financial statements, which indicates that the Company is in an early stage and has operating loss. As stated in Note 1, the Company's ability to continue as a going concern is dependent upon its ability to generate positive cashflows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. These matters, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 G. Cameron Dong.

De Visser Gray LLP

Vancouver, BC, Canada
July 28, 2023

TARGA EXPLORATION CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**March 31, 2023**	March 31, 2022
		$	$
ASSETS			
Current			
Cash		**604,316**	1,240,496
Goods and services tax recoverable		**2,713**	-
Prepaid expenses and deposits		**46,126**	-
Total assets		**653,155**	1,240,496
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	**38,878**	12,657
Total liabilities		**38,878**	12,657
SHAREHOLDERS' EQUITY			
Share capital	7(b)	**3,656,958**	804,413
Subscription receivable		**-**	(5,000)
Reserves		**46,800**	665,000
Deficit		**(3,089,481)**	(236,574)
Total shareholders' equity		**614,277**	1,227,839
Total liabilities and shareholders' equity		**653,155**	1,240,496

Nature of operations and going concern (Note 1)
Contingency (Note 6(b))
Subsequent events (Note 12)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Karlene Collier"	*/s/ "Mahesh Liyanage"*
Director	Audit Committee Chair

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

TARGA EXPLORATION CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		Years ended March 31,	
	Note	**2023**	2022
		$	$
Operating expenses			
Exploration and evaluation expenditures	6	**2,547,103**	154,089
Filing and transfer agent fees		**34,218**	1,150
General and administrative		**38,799**	295
Investor relations and marketing		**12,779**	-
Legal and professional fees		**127,208**	10,507
Management and consulting fees	9	**46,000**	11,000
Share-based compensation	9	**46,800**	-
		2,852,907	177,041
Other expenses			
Transaction expense	5	**-**	59,413
Net loss and comprehensive loss		**(2,852,907)**	(236,454)
Net loss per share:			
Basic and diluted		**(0.08)**	(0.01)
Weighted average number of common shares:			
Basic and diluted		**37,716,173**	26,243,037

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

TARGA EXPLORATION CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended March 31,	
	2023	2022
	$	$
Operating activities:		
Net loss for the year	**(2,852,907)**	(236,454)
Item not affecting cash:		
Shares issued for acquisition cost included in exploration and evaluation expenditures	**2,176,045**	25,000
Share-based compensation	**46,800**	-
Transaction expense	**-**	59,413
Changes in non-cash working capital items:		
Goods and services tax recoverable	**(2,713)**	-
Prepaid expenses and deposits	**(46,126)**	-
Accounts payable and accrued liabilities	**26,221**	12,657
Cash used in operating activities	**(652,680)**	(139,384)
Financing activities:		
Subscription receivable collected	**5,000**	-
Proceeds received from warrants exercised	**11,500**	-
Proceeds from issuance of shares on private placements	**-**	597,500
Proceeds from issuance of units on private placements	**-**	660,000
Cash provided by financing activities	**16,500**	1,257,500
Net change in cash	**(636,180)**	1,118,116
Cash, beginning of the year	**1,240,496**	122,380
Cash, end of the year	**604,316**	1,240,496
Supplemental cash flow information:		
Exploration and evaluation expenditure included in accounts payable and accrued liabilities	**14,780**	-
Cash acquisition costs for Shanghai Property included in exploration and evaluation expenditures (Note 6(a))	**100,000**	50,000
Cash paid for field work related to Shanghai Property included in exploration and evaluation expenditures (Note 6(a))	**171,058**	-
Cash acquisition costs for Lithium Projects included in exploration and evaluation expenditures (Note 6(b))	**100,000**	-

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

TARGA EXPLORATION CORP.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Subscription receivable	Reserves	Deficit	Total shareholders' equity
	#	$	$	$	$	$
Balance, March 31, 2021	12,875,000	122,500	-	-	(120)	122,380
Units issued in private placements	18,625,000	597,500	-	-	-	597,500
Shares issued to purchase Shanghai Property	500,000	25,000	-	-	-	25,000
Shares issued to Bellatrix on amalgamation	1,188,250	59,413	-	-	-	59,413
Special warrants issued in private placements	-	-	(5,000)	665,000	-	660,000
Net loss and comprehensive loss for the year	-	-	-	-	(236,454)	(236,454)
Balance, March 31, 2022	33,188,250	804,413	(5,000)	665,000	(236,574)	1,227,839
Subscription receivable collected	-	-	5,000	-	-	5,000
Shares issued to purchase Shanghai Property	500,000	250,000	-	-	-	250,000
Shares issued to purchase Lithium Projects	4,377,375	1,926,045	-	-	-	1,926,045
Shares issued from special warrant conversion	6,650,000	665,000	-	(665,000)	-	-
Shares issued from exercise of warrants	65,000	11,500	-	-	-	11,500
Share-based compensation	-	-	-	46,800	-	46,800
Net loss and comprehensive loss for the year	-	-	-	-	(2,852,907)	(2,852,907)
Balance, March 31, 2023	**44,780,625**	**3,656,958**	**-**	**46,800**	**(3,089,481)**	**614,277**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Targa Exploration Corp. (the "Company") was incorporated pursuant to the Business Corporations Act of British Columbia on September 26, 2017, and changed its name from RCM Minerals Ltd. to Targa Exploration Corp. on July 20, 2021. The Company's registered office is located at #700-1090 West Georgia Street, Vancouver, BC, V6E 3V7. On September 27, 2022, the Company's common shares commenced trading on the Canadian Securities Exchange under the ticker symbol "TEX". On October 7, 2022, the Company's common shares commenced trading on the Frankfurt Stock Exchange under the ticker symbol "V6Y". Subsequent to the balance sheet date, on May 17, 2023, the Company's common shares commenced trading on the OTCQB Venture Market under the ticker symbol "TRGEF".

Targa is in the business of acquisition, exploration and development of mineral properties. The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

These consolidated financial statements for the years ended March 31, 2023 and 2022 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at March 31, 2023, the Company has working capital of $614,277 (March 31, 2022 - $1,227,839) and an accumulated deficit of $3,089,481 (March 31, 2022 - $236,574). For the year ended March 31, 2023, the Company generated a net loss of $2,852,907 (2022 - $236,454) and used cash in operating activities of $652,680 (2022 - $139,384). These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. 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 advantageous to the Company. Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These 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 PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on July 28, 2023.

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

b) Basis of presentation

The financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS for each type of asset, liability, income, and expense as set out in the accounting policies below, as well as information presented in the consolidated statement of cash flows.

c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. These financial statements have been prepared in Canadian dollars, which is the Company's and its subsidiaries functional and presentation currency, except as otherwise noted.

2. BASIS OF PRESENTATION (continued)

d) Basis of consolidation

These financial statements include the accounts of the Company and its wholly owned subsidiary, 1326091 B.C. Ltd. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A subsidiary is included in the financial statements from the date control commences until the date control ceases.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash consists of cash on hand and deposits in banks with no restrictions.

b) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of its 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, the Company can make an irrevocable election (on an instrument-by-instrument basis) on the day of acquisition to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

A summary of the Company's classification of financial instruments under IFRS 9 *Financial Instruments* is as follows:

Financial instrument	**Classification**
Financial assets	
Cash	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in net income (loss) in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss). The Company does not have any FVTPL financial assets or financial liabilities.

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTOCI are recognized in other comprehensive income (loss). The Company does not have any FVTOCI financial assets.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (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 recognizes in the consolidated statements of income (loss) and comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

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

c) Mineral property interests

The Company's mineral property interests are comprised of mineral properties owned by the Company and rights to ownership of mineral properties, which the Company can earn through cash or share payments, incurring exploration expenditures or combinations thereof. The Company accounts for its mineral property interests by charging all acquisition and exploration costs to profit or loss as incurred and crediting all property sales and option proceeds to profit or loss. When the existence of a mineral reserve on a property has been established, future acquisition, exploration and development costs is capitalized for that property, then amortized using the unit-of-production method following commencement of production.

d) Income taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in other comprehensive income (loss) or directly in equity, in which case it is recognized in other comprehensive income (loss) or in equity, respectively. Mining duties, taxes, royalties, and withholding taxes are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax. This is considered to be the case when they are imposed by a government authority and the amount payable is calculated by reference to taxable income.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable or recoverable with regards to previous years.

Deferred tax expense is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax expense is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax expense is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and deferred income tax liabilities are offset only when there is a legally enforceable right to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

e) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. 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, stock options, and warrants are classified as equity instruments.

The Company records proceeds from share issuances net of issue costs and any tax effects in equity. Common shares issued for consideration other than cash are valued based on their fair value on the date of issuance.

f) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Basic and diluted loss per share is the same for the periods presented.

g) Share-based compensation

The Company has a stock option plan, which allows grants of options to purchase common shares by the Company’s directors, officers, employees, and consultants. The Company accounts for the stock options at their fair value and recognizes the cost as compensation expense over the vesting period, with the offset recorded to reserves. The amount recognized as share-based compensation expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

The fair value of stock options granted to directors and employees is measured using the Black-Scholes option pricing model on the date of issuance. Share-based compensation to non-employees are measured at the fair value of the goods or services received, or at the fair value of the equity instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured, and are recorded at the date the goods or services are received.

Consideration received on the exercise of stock options is recorded as share capital, and the amount previously recognized in reserves is transferred to share capital. For options that expire unexercised, the initial fair value recorded remains in reserves.

h) Warrants

Warrants issued by the Company typically accompany an issuance of shares in the Company (a “unit”) and entitle the warrant holder to exercise the warrants for a stated price for a stated number of shares of the Company. The fair values of the components of the units sold are measured using the residual value approach where the value is allocated first to share capital based on the market value of shares on the date of issue and the residual value is allocated to the warrants. If the proceeds are less than or equal to the estimated fair market value of the share issue, a nil carrying amount is assigned to the warrants. Where warrants are issued as compensation, they are recorded as share-based compensation.

i) Special warrants

Special warrants are initially recorded as a part of reserves in equity at the recognized fair value. Upon exercise of the special warrants the previously recognized fair value of the special warrants is reallocated to share capital from reserves. Should the warrants expire before exercise the previously recognized fair value of the warrants expired is reallocated to contributed surplus from reserves.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Where modification to warrant agreements occur, such as an extension of the expiry date, the fair value is reassessed based on the modified terms. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. This incremental fair value is recognized within equity.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

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

a) Fair value of shares issued for mineral property and services

If shares are issued for proceeds other than cash, the shares are valued at the fair market value of goods/services received. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the share consideration. (Refer to Note 6 and 7(b)).

b) Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating and mineral property expenditures and meet its liabilities for the ensuing year as they fall due involves judgment based on historical experience and other factors including the expectation of future events that are believed to be reasonable under the circumstances. Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions exist that may cast significant doubt upon the Company's ability to continue as a going concern.

c) Fair value calculation of share-based compensation

The fair value of share-based compensation in relation to the options granted is calculated using a Black-Scholes option pricing model. There are a number of estimates used in the calculation such as the expected option life, rate of forfeiture of options granted, risk-free interest rate used and the future price volatility of the underlying security, which can vary from actual future events. The factors applied in the calculation are management's best estimates based on industry averages and future forecasts.

5. AMALGAMATION

Amalgamation with Bellatrix Capital Corp.

The Company entered into an amalgamation agreement dated September 3, 2021 (the "Amalgamation Agreement") with Bellatrix Capital Corp. ("Bellatrix"), and 1322768 B.C. Ltd., a wholly owned subsidiary of the Company ("1322768"). Pursuant to the Amalgamation Agreement, Bellatrix, and 1322768 amalgamated (the "Amalgamation") to form 1326091 B.C. Ltd. ("Amalco").
b

5. AMALGAMATION (continued)

The Company issued the following consideration with the following effect:

- One Company share in exchange for the 188,250 Class B common shares of Bellatrix issued and outstanding at the time of the Amalgamation; and
- Eighty Company shares in exchange for the 12,500 Class A common shares of Bellatrix issued and outstanding at the time of the Amalgamation.

The 1,188,250 common shares that were issued to the shareholders of Bellatrix by the Company pursuant to the Amalgamation were valued at $59,413, or $0.05 per share. The Amalgamation has been accounted for as an asset acquisition in accordance with the guidance provided in IFRS 2 *Share-based Payment* since it did not constitute a business combination under IFRS 3 *Business Combinations* as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Bellatrix at the time of the transaction. Since 1326091 B.C. Ltd. had no assets or liabilities, the total amount of $59,413 was allocated as transaction expense on the consolidated statements of loss and comprehensive loss.

Pursuant to the Amalgamation, the one common share of 1322768 was cancelled and replaced by one common of Amalco. The Amalgamation took effect September 28, 2021.

The financial statements include the financial statements of the Company and its one subsidiary, 1326091 B.C. Ltd. All significant intercompany transactions are eliminated on consolidation. An amount of $59,413 was recognized as transaction expense during the year ended March 31, 2022.

6. EXPLORATION AND EVALUATION EXPENDITURES

a) Shanghai Property

The Company entered into the option agreement (the “Agreement”) dated October 6, 2021 with Shawn Ryan and Wildwood Exploration Inc. (“Wildwood”), who were the owners of 70% and 30%, respectively, of the mineral claims situated in the Mayo Mining District, Yukon Territory, which are generally known and described as the Shanghai Property (the “Shanghai Property”). Pursuant to the Agreement, the Company was granted an option to acquire a 100% right, title, and interest in those mineral claims.

In accordance with the Agreement, the Company has the option to acquire a 100% undivided interest in the Shanghai Property. In exchange for transferring the consideration and making the investments below.

i. Pay to Wildwood an aggregate of $750,000, as follows:

- $50,000 ten business days from October 6, 2021, the effective date of the Agreement (paid)
- $100,000 on or before October 6, 2022 (paid)
- $100,000 on or before October 6, 2023
- $100,000 on or before October 6, 2024
- $150,000 on or before October 6, 2025
- $250,000 on or before October 6, 2026

ii. Issue and deliver to Shawn Ryan an aggregate of 4,000,000 common shares, as follows:

- 500,000 common shares within ten business days after October 6, 2021 (issued, refer to Note 7(b))
- an additional 500,000 common shares on or before October 6, 2022 (issued, refer to Note 7(b))
- an additional 600,000 common shares on or before October 6, 2023
- an additional 650,000 common shares on or before October 6, 2024
- an additional 750,000 common shares on or before October 6, 2025
- an additional 1,000,000 common shares on or before October 6, 2026

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION EXPENDITURES (continued)

iii. Incur expenditures in the aggregate amount of not less than $2,850,000, as follows:

- $75,000, on or before November 15, 2021 (incurred)
- in the additional amount of $150,000 on or before November 15, 2022 (incurred)
- in the additional amount of $375,000 on or before November 15, 2023
- in the additional amount of $500,000 on or before November 15, 2024
- in the additional amount of $750,000 on or before November 15, 2025
- in the additional amount of $1,000,000 on or before November 15, 2026

Under the Agreement, the Company is required to pay Shawn Ryan and Wildwood in accordance with their respective interests, a Net Smelter Returns royalty ("NSR") equal to 2.5% of net smelter returns. The Company may reduce the NSR by 1.0% for a payment of $2,000,000.

A summary of the Company's exploration and evaluation expenditures for the Shanghai Property for the years ended March 31, 2023 and 2022 is as follows:

	2023	2022
	$	$
Acquisition cost	**350,000**	75,000
Analysis	**149,455**	79,089
Geological consulting	**21,603**	-
	521,058	154,089

b) Lithium Projects

On December 12, 2022, the Company entered into an agreement (the "Kenorland Agreement") with Kenorland Minerals North America Ltd. ("Kenorland") who were the owners of a 100% interest in two lithium exploration projects. The project situated in the James Bay region of northern Quebec is generally known and described as the Opinaca Project (the "Opinaca Project"), and the project located in eastern Manitoba is generally known and described as the Superior Project (the "Superior Project"), together known as the "Lithium Projects".

On January 25, 2023, in accordance with the Kenorland Agreement, the Company acquired a 100% undivided interest in the Lithium Projects, in exchange for 4,377,375 common shares of the Company with a fair value of $1,926,045 (issued, refer to Note 7(b)), a payment of $100,000 in cash (paid), and a 3% NSR. In addition, the Company is required to issue 9.9% of the issued common shares to Kenorland when the Company has raised funding of up to $5,000,000 through future common share issuances.

A summary of the Company's exploration and evaluation expenditures for the Lithium Projects for the years ended March 31, 2023 and 2022 is as follows:

	2023	2022
	$	$
Acquisition cost	**2,026,045**	-
	2,026,045	-

7. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

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

- On September 22, 2022, the previously issued 6,650,000 special warrants (Note 7(d)) were automatically converted into 6,650,000 units for no additional consideration. Each unit consists of one common share of the Company and one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.20 per share for a period of five years until September 22, 2027. The total fair value of the common shares is $665,000. The warrants were accounted for using the residual value method. As the fair value of the common shares issued exceeded the cash proceeds, there was $nil residual value allocated to the warrants.
- On October 7, 2022, the Company issued 500,000 common shares at $0.50 per share for the total fair value of $250,000 to Shawn Ryan in connection with the Shanghai Property agreement (Note 6(a)).
- On December 21, 2022, the Company issued 50,000 common shares from the exercise of warrants for proceeds of $10,000.
- On January 25, 2023, the Company issued 4,377,375 common shares at $0.44 per share for the total fair value of $1,926,045 as a payment to acquire the Lithium Projects (Note 6(b)).
- On February 21, 2023, the Company issued 15,000 common shares from the exercise of warrants for gross proceeds of $1,500.

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

- On June 18, 2021, the Company completed a non-brokered private placement for gross proceeds of $222,500 from the issuance of 11,125,000 units at a price of $0.02 per unit. Each unit consists of one common share of the Company and one warrant exercisable into one common share of the Company at price of $0.10 for a period of five years from the closing date of the private placement. The gross proceeds were all allocated to share capital.
- On September 28, 2021, the Company completed a non-brokered private placement for gross proceeds of $375,000 from the issuance of 7,500,000 units at a price of $0.05 per unit. Each unit consists of one common share of the Company and one warrant exercisable into one common share of the Company at price of $0.10 for a period of five years from the closing date of the private placement. The gross proceeds were all allocated to share capital.
- On September 28, 2021, the Company issued 500,000 common shares at $0.05 per share for the total value of $25,000 as a partial payment to acquire the Shanghai Property (Note 6(a)).
- On September 28, 2021, the Company issued 1,188,250 common shares at $0.05 per share to the shareholders of Bellatrix in connection with the Amalgamation (Note 5). The share price of the common shares was determined with reference to the common shares issued in private placement on the same date.

c) Escrowed Securities

On September 15, 2022, an escrow agreement (the “Escrow Agreement”) between the Company and certain shareholders of the Company was completed resulting in 502,500 common shares and 500,000 warrants (the “Escrowed Securities”) being deposited in escrow. Pursuant to the Escrow Agreement, 10% of the Escrowed Securities were released from escrow on the Escrow Agreement date (the “Initial Release”) and an additional 15% to be released every six-month interval thereafter, for a period of 36 months following the Initial Release. These Escrowed Securities, may not be transferred, assigned, or otherwise dealt without the consent of the regulatory authorities. As at March 31, 2023, 125,625 common shares and 125,000 warrants have been released from escrow. As at March 31, 2023, the remaining balance of Escrowed Securities consists of 376,875 common shares and 375,000 warrants (March 31, 2022 - nil).

d) Special warrants

On February 14, 2022, the Company completed a non-brokered private placement for gross proceeds of $665,000 from the issuance of 6,650,000 special warrants (“Special Warrants”) at $0.10 per warrant, of which $5,000 was outstanding for collection as at March 31, 2022 and subsequently received during the year ended March 31, 2023. The balance for the Special Warrants was $665,000 recorded to reserves. Each Special Warrant will entitle the holder, on exercise, without additional consideration, to receive one common share and one warrant; each warrant entitles the holder to purchase one share at a price of $0.20 for five years.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

On September 22, 2022, the 6,650,000 Special Warrants were automatically converted into 6,650,000 units. Each unit consists of one common share of the Company and one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.20 per share for a period of five years until September 22, 2027. The warrants were accounted for using the residual value method. The total fair value of the common shares is $665,000. As the fair value of the common shares issued exceeded the cash proceeds, there was $nil residual value allocated to the warrants.

During the year ended March 31, 2023, the Company did not issue any Special Warrants.

A summary of the Company's special warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, March 31, 2021	-	-
Issued	6,650,000	0.20
Balance, March 31, 2022	6,650,000	0.20
Exercised	(6,650,000)	0.20
Balance, March 31, 2023	-	-

As at March 31, 2023, the Company had no Special Warrants outstanding and exercisable (March 31, 2022 - 6,650,000).

e) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, March 31, 2021	3,875,000	0.10
Issued	18,625,000	0.10
Balance, March 31, 2022	22,500,000	0.10
Issued	6,650,000	0.20
Exercised	(65,000)	0.18
Balance, March 31, 2023	**29,085,000**	**0.12**

A summary of the Company's outstanding warrants as at March 31, 2023 is as follows:

Date of expiry	Weighted average exercise price	Number of warrants	Weighted average life remaining
	$	#	years
December 15, 2025	0.10	3,875,000	2.71
June 18, 2026	0.10	11,124,931	3.22
September 28, 2026	0.10	7,485,069	3.50
September 22, 2027	0.20	6,600,000	4.48
	0.12	**29,085,000**	**3.51**

During the year ended March 31, 2023, the weighted average share price on the date of exercise of warrants was $1.11 per share (2022 - $nil).

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

f) Stock options

The Company has a Stock Option Plan (the "Plan") under which directors, employees and consultants are eligible to receive stock option grants. Under the Plan, granted options are exercisable over periods up to 10 years as determined by the Board of Directors. The maximum number of outstanding options under the plan is limited to 10% of the number of issued and outstanding common shares.

On April 14, 2022, the Company issued 1,425,000 stock options to directors, officers and consultants with an exercise price of $0.10 and expiry date of April 14, 2027. The options vested immediately and were valued at $46,800 using the Black-Scholes option pricing model with the following assumptions:

Share price	$0.05
Risk-free interest rate	2.61%
Estimated life	5 years
Expected volatility	100.00%
Expected dividend yield	0.00%

The expected life in years represents the period of time the options granted are expected to be outstanding. The volatility rate is based on comparable companies with a historical volatility. The risk-free rate is based on Canada government bonds with a remaining term equal to the expected life of the options.

A summary of the Company's stock options is as follows:

	Number of stock options	**Weighted average exercise price**
	#	$
Balance, March 31, 2021, and March 31, 2022	-	-
Issued	1,425,000	0.10
Balance, March 31, 2023	**1,425,000**	**0.10**

As at March 31, 2023, the Company had 1,425,000 stock options outstanding and exercisable (March 31, 2022 - nil) with an exercise price of $0.10 and expire on April 14, 2027. As at March 31, 2023, the remaining life of these options is 4.04 years.

During the year ended March 31, 2023, the Company recorded share-based compensation expense of $46,800 (2022 - $nil) related to the vesting of stock options.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2023, the fair value of the financial instruments cash and accounts payable and accrued liabilities are classified and measured at amortized cost. The carrying value of cash and accounts payable and accrued liabilities approximate the fair value due to the relatively short-term maturity of these instruments.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash. The Company minimizes its credit risk related to cash by placing cash with major financial institutions.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company is exposed to liquidity risk through accounts payable and accrued liabilities but controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations.

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

As at March 31, 2023, the Company had sufficient cash on hand to discharge its accounts payable and accrued liabilities as they become due. As the Company's operations does not generate cash, financial liabilities are discharged using funding through the issuance of common stock or debt as required, the Company may need to seek a combination of debt and equity to meet the spending requirements under the Shanghai Property option agreement.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. The Company is not exposed to significant interest rate risk on the basis that its financial liabilities bear no interest or interest at fixed rates. The Company does not carry financial assets or liabilities that are denominated in a foreign currency and is therefore not exposed to significant foreign exchange rate risk.

9. RELATED PARTY TRANSACTIONS

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

During the year ended March 31, 2023, the Company incurred management and consulting fees of $35,000 (2022 - $11,000) to the Chief Executive Officer ("CEO"), and $11,000 (2022 - $nil) to the Chief Financial Officer ("CFO"); and recorded share-based compensation of $36,126 (2022 - $nil) related to the vesting of stock options granted to the key management personnel.

A summary of the Company's related party transactions with key management for the years ended March 31, 2023 and 2022 is as follows:

	2023	2022
	$	$
Management and consulting fees	**46,000**	11,000
Share-based compensation	**36,126**	-
	82,126	11,000

As at March 31, 2023, $5,050 was due to the CEO and CFO and included in accounts payable and accrued liabilities (March 31, 2022 - $1,000). The payable is unsecured, due on demand and is non-interest bearing.

10. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations comprising the acquisition, exploration and development of mineral properties. The Company obtains funding primarily through issuing share capital. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the year ended March 31, 2023. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars)

11. INCOME TAX

A summary of the Company's reconciliation of income taxes at statutory rates for the years ended March 31, 2023 and 2022 is as follows:

	2023	2022
	$	$
Net loss before income taxes	**(2,852,907)**	(236,454)
Combined federal and provincial statutory income tax rates	**27%**	27%
Income tax recovery at statutory rates	**(770,300)**	(63,800)
Non-deductible expenditures and non-taxable revenues	**12,700**	16,000
Change in unrecognized deferred tax assets	**757,600**	47,800
Net deferred tax recovery	**-**	-

A summary of the Company's significant components of a potential deferred tax asset are as follows:

	March 31, 2023	March 31, 2022
	$	$
Non-capital loss carry forward	**76,100**	6,200
Resource properties	**729,300**	41,600
Deferred tax asset	**805,400**	47,800

As at March 31, 2023 the Company has losses of approximately $281,900 (2022 - $23,100) available for carry-forward to reduce future years' taxable income. A summary of the expiry dates of the Company's non-capital income tax losses is as follows:

Date of expiry	
	$
2041	100
2042	23,000
2043	258,800
Total	**281,900**

12. SUBSEQUENT EVENTS

- On May 11, 2023, the Company completed an acquisition of a 100% interest in the Leaf River lithium project, the Raglan South lithium project, and the Musquaro Lake lithium project (collectively, the "Pegmatite Lithium Projects") from a syndicate of sellers consisting of Shawn Ryan, Wildwood, Isaac Fage, Callum Ryan, Simon Cash and Adam Fage (collectively, the "Sellers") in exchange for 7,500,000 common shares of the Company, a payment of $315,000 in cash to Wildwood and a 1% NSR granted to Shawn Ryan.

- On May 19, 2023, the Company completed the acquisition of a 100% of the issued and outstanding shares of Pan Canadian Lithium Corp ("Pan Canadian Lithium") pursuant to a share exchange agreement where the Company issued 5,766,666 common shares to the shareholders of Pan Canadian Lithium. In addition, the Company acquired Pan Canadian Lithium's positive cash position of approximately $240,000.

- On June 13, 2023, the Company granted stock options to its directors, officers, employees, and consultants, under the Company's stock option plan. The Company issued 2,150,000 stock options with an exercise price of $0.44 and expiry date of June 13, 2028.

- On June 21, 2023, the Company issued 20,000 common shares, pursuant to the exercise of warrants at $0.10 per share.