ISM RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JANUARY 31, 2023 AND
THE PERIOD FROM INCEPTION ON OCTOBER 26, 2021 TO JANUARY 31, 2022

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ISM Resources Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ISM Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2023 and 2022, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the year ended January 31, 2023 and for the period from inception on October 26, 2021 to January 31, 2022, 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 January 31, 2023 and 2022 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 1 in the consolidated financial statements, which indicates that the Company's ability to remain a going concern is dependent upon its ability to generate future cash flows or obtain additional financing. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 3 – Significant accounting estimates and judgements, note 4 – Accounting policy Exploration and evaluation assets and note 5 Exploration and evaluation	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:

assets Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	• Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment. • Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

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
May 31, 2023

ISM RESOURCES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	January 31, 2023	January 31, 2022
ASSETS		
Current		
Cash	$ 1,070,508	$ 1,549,969
Receivables	24,781	-
Prepaids	1,437	-
	1,096,726	1,549,969
Non-current		
Exploration and evaluation assets (Note 5)	2,767,459	195,220
Right of use asset (Note 6)	21,590	-
TOTAL ASSETS	$ 3,885,775	$ 1,745,189
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	$ 42,723	$ -
Lease liability (Note 6)	22,296	-
	65,019	-
Non-current liability		
Due to Ameriwest Lithium Inc. (Note 5)	-	195,220
	65,019	195,220
Shareholders' equity		
Share capital (Note 7)	4,195,892	500,000
Share subscriptions	-	1,050,000
Reserves (Note 7)	177,300	-
Deficit	(552,436)	(31)
	3,820,756	1,549,969
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$ 3,885,775	$ 1,745,189

Nature and continuance of operations (Note 1)
Subsequent events (Note 13)

Authorized and approved by the Board of Directors on May 31, 2023.

"Glenn Collick"	*"Michael Gheyle"*
Director	Director

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

ISM RESOURCES CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

		Year ended January 31, 2023		Period from inception October 26, 2021 to January 31, 2022
EXPENSES				
Accounting and audit fees	$	57,791	$	-
Consulting fees (Note 8)		78,434		-
Depreciation (Note 6)		10,796		-
Filing fees		26,633		-
Interest expenses (Note 6)		1,910		-
Legal fees		195,088		-
Management fees (Note 8)		15,250		-
Meals and entertainment (Note 8)		26,374		-
Office and administration		12,037		31
Share-based compensation (Note 7 and 8)		76,300		-
Net loss		(500,613)		(31)
OTHER ITEM				
Write off of exploration and evaluation assets (Note 5)		(51,792)		-
Net loss and comprehensive loss for the period	**$**	**(552,405)**	$	(31)
Weighted-average number of shares outstanding		**5,538,900**		649,985
Weighted-average loss per share – basic & diluted	**$**	**(0.10)**	$	(0.00)

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

ISM RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended January 31, 2023	Period from inception October 26, 2021 to January 31, 2022
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	$ (552,405)	$ (31)
Items not involving cash:		
Depreciation	10,796	-
Interest on lease	1,910	-
Share-based compensation	76,300	-
Write-off of exploration and evaluation assets	51,792	-
Changes in non-cash working capital items:		
Receivables	(24,781)	-
Prepaids	(1,437)	-
Accounts payable and accrued liabilities	42,723	-
Cash flows used in operating activities	(395,102)	(31)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(72,032)	-
Cash flows used in investing activities	(72,032)	-
FINANCING ACTIVITIES		
Proceeds from share subscriptions received	-	1,050,000
Proceeds from issuance of common shares	5,000	500,000
Share issuance costs	(5,327)	-
Lease payments	(12,000)	-
Cash flows provided by (used in) financing activities	(12,327)	1,550,000
Change in cash	(479,461)	1,549,969
Cash, beginning of the year	1,549,969	-
Cash, end of the year	**$ 1,070,508**	**$ 1,549,969**

Supplemental cash flow information (Note 11)

ISM RESOURCES CORP.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Subscriptions	Reserves	Deficit	Shareholders' Equity
Balance, October 26, 2021	**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Private placement	1,000,500	500,000	-	-	-	500,000
Common shares subscribed	-	-	1,050,000	-	-	1,050,000
Loss for the period	-	-	-	-	(31)	(31)
Balance, January 31, 2022	**1,000,500**	**500,000**	**1,050,000**	**-**	**(31)**	**1,549,969**
Plan of arrangement	7,467,434	2,646,219	-	101,000	-	2,747,219
Private placement	5,275,000	1,055,000	(1,050,000)	-	-	5,000
Share issue costs	-	(5,327)	-	-	-	(5,327)
Share-based compensation	-	-	-	76,300	-	76,300
Loss for the year	-	-	-	-	(552,405)	(552,405)
Balance, January 31, 2023	**13,742,934**	**$ 4,195,892**	**$ -**	**$ 177,300**	**$ (552,436)**	**$ 3,820,756**

Effective February 1, 2023, the Company consolidated its common shares on a 2:1 basis. All share and per share amounts in the consolidated financial statements have been retroactively restated to reflect the share consolidation.

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

ISM Resources Corp. (the "Company" or "ISM") was incorporated under the Business Corporations Act (British Columbia) on October 26, 2021 as a wholly-owned subsidiary of Ameriwest Lithium Inc. ("Ameriwest" or the "Parent").

The Company's corporate office and principal address is located at Suite 306, 1110 Hamilton Street, Vancouver, BC, Canada, V6B 2S2.

On March 31, 2022, Ameriwest and ISM entered into an arrangement agreement pursuant to which it is proposed that ISM would, through a series of transactions, acquire all of Ameriwest's gold assets on a tax deferred basis and would itself be acquired by Ameriwest's shareholders. At the conclusion of the transactions set out in the arrangement agreement, each Ameriwest shareholder would hold the same number of Ameriwest shares as he, she or it held at the start of the transactions, and approximately one quarter of that number of ISM shares. Ameriwest shareholders will thereafter directly own the shares of ISM in the same proportion, relative to each other, that they own their shares of Ameriwest.

As such, ISM would obtain assets and a distribution of shareholders sufficient to obtain the intended subsequent listing of its common shares for trading on the TSX Venture Exchange.

The arrangement agreement between Ameriwest and ISM was completed on September 23, 2022. Under the terms of the arrangement agreement, Ameriwest transferred its gold assets to the Company (Note 5), and Ameriwest's shareholders received one common share of the Company for every four common shares of Ameriwest held. A total of 7,467,434 common shares of the Company were issued pursuant to the arrangement agreement. Under the terms of the Arrangement, there were also 318,750 stock options of the Company issuable to Ameriwest stock option holders and 381,652 warrants of the Company issuable to Ameriwest warrant holders.

The mineral property interests acquired from Ameriwest were measured at fair value and, as the fair value of the Company's equity issued in exchange was not more readily determinable, and given the exploration stage nature of the assets acquired, fair value was based on their current carrying amounts in the accounts of Ameriwest, as follows:

ESN	$	2,557,550
Koster Dam		137,877
Quet & Fire		51,792
	$	2,747,219

Their consideration recorded by the Company was allocated as follows:

Share capital	$	2,646,219
Reserves		101,000
	$	2,747,219

The allocation to reserves was based on the estimated aggregate fair value of outstanding Ameriwest options and warrants converted to option and warrants of ISM on a four to one basis. As all such stock options had previously vested to their holders and substantially all holders were not expected to provide future services to ISM, the related share-based compensation comprised, in substance, a component of the consideration issued for the property interests rather than a current operating expense of ISM.

The allocation of $2,646,219 to share capital reflects solely the residual value associated with the difference between the value of the assets acquired from ISM and the reserves figure described above.

ISM obtained assets and a distribution of shareholders sufficient to facilitate the intended listing of its common shares for trading on the Canadian Securities Exchange ("CSE"). The Company's shares are now trading on the CSE under the stock symbol "ISM".

Effective February 1, 2023, the Company consolidated its common shares on a 2:1 basis. All share and per share amounts in the financial statements have been retroactively restated to reflect the share consolidation.

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

The coronavirus, also known as “COVID-19”, has spread across the globe and is impacting worldwide economic activity. Government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company’s business activities. The extent to which the coronavirus may impact the Company’s business activities will depend on future developments, such as the duration of the outbreak, travel restrictions, business disruptions and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and, as such, the Company cannot determine their financial impact at this time.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These events and conditions create a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. Such adjustments could be material.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), and International Financial reporting Interpretations Committee (“IFRIC”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements were authorized for issuance on May 31, 2023 by the directors of the Company.

The functional currency of the Company and its subsidiaries is the Canadian dollar. These financial statements are presented in Canadian dollars, unless otherwise indicated.

Basis of Consolidation

These financial statements include the accounts of the Company and its 100% owned US subsidiary, ISM Resources Nevada Corp., which was incorporated on February 15, 2022. All significant inter-company transactions and balances have been eliminated on consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The subsidiaries of the Company are as follows:

Name of subsidiary	Incorporation	Interest January 31, 2023	Interest January 31, 2022
ISM Resources Nevada Corp.	Nevada, USA	100%	N/A

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit 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, the results of which form the basis of making the judgements 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 future periods if the review affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year that could result in a material adjustment of 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:

Significant judgments

i) Impairment of exploration and evaluation assets

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

ii) Going concern

The Company's assessment of its ability to raise sufficient funds to finance operations involves significant judgments. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

iii) Functional currency

The determination of a subsidiaries' functional currency often requires significant judgment where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation method.

iv) Arrangement agreement

The determination that the best representation of fair value in respect to the exploration and evaluation assets acquired from Ameriwest, upon completion of the arrangement agreement, was their related deferred carrying amounts in the accounts of Ameriwest.

Significant estimates and assumptions

i) Share-based compensation

Share-based compensation is determined using the Black-Scholes option pricing model based on the estimated fair value of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

ii) Economic recoverability and probability of future benefits of exploration and evaluation costs

The carrying value of exploration and evaluation assets and the likelihood of future economic recoverability of these carrying values is subject to significant management estimates. The application of the Company's accounting policy for and determination of recoverability of capitalized assets is based on assumptions about future events or circumstances. New information may change estimates and assumptions made. If information becomes available indicating that recovery of expenditures is unlikely, the amounts capitalized are impaired and recognized as a loss in the period that the new information becomes available. A change in estimate could result in the carrying amount of capitalized assets being materially different from their presented carrying costs.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

iii) Recognition of deferred income tax assets

Management is required to assess the recoverability of deferred income tax assets, which arise from the differences between the carrying amount of assets and liabilities and their tax bases in accordance with IAS 12 Income Taxes, to the extent that it is probable future taxable profits will be available against which the temporary differences can be utilized.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Translation of Foreign Currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting year, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

b) Exploration and Evaluation Assets

The Company's exploration and evaluation assets consist of mineral rights acquired and exploration and evaluation expenditures capitalized in respect of projects that are at the exploration and evaluation stage.

No amortization charge is recognized in respect of exploration and evaluation assets. These assets are transferred to mine development assets in property, plant and equipment upon the commencement of mine development.

Exploration and evaluation expenditures in the relevant area of interest are comprised of costs which are directly attributable to:

- Acquisition;
- Assays, Staking, and Mapping;
- Consulting & Professional;
- Drilling;
- Field Work;
- Geological & Geophysical; and
- Travel & Accommodation.

Exploration and evaluation expenditures related to an area of interest where the Company has tenure are capitalized as intangible assets and are initially recorded at cost less impairment.

Exploration and evaluation expenditures also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalized costs, including general and administrative costs, are only allocated to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Where the Company has entered into option agreements to acquire interests in mineral properties that require periodic share issuances, amounts un-issued are not recorded as liabilities since they are issuable entirely at the Company's option. Option payments are recorded as mineral property costs when the payments are made and share issuances are recorded as mineral property costs using the fair market value of the Company's common shares at the date of the issuance.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Exploration and Evaluation Assets (continued)

All capitalized exploration and evaluation expenditures are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The following circumstances indicate that an entity should test exploration and evaluation assets for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditures on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the period.

c) Impairment of Non-Current Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and the asset's value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the year.

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

d) Financial Instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial Instruments (continued)

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVTOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial Instrument	**IFRS 9 Classification**
Cash	Amortized cost
Receivables, excluding GST	Amortized cost
Amounts payable and accrued liabilities	Amortized cost
Lease liabilities	Amortized cost
Due to Ameriwest	Amortized cost

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. For financial assets measured at amortized cost the Company applies the expected credit loss impairment model.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Share Issue Costs

Costs directly identifiable with the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs, and are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

f) Valuation of Equity Units Issued in Private Placements

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 most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

g) Equity-based Compensation

The Company grants stock options and warrants to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options and compensatory warrants are measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

h) Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

i) Incomes Taxes

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

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

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Incomes Taxes (continued)

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

k) Right of use asset

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use assets are subsequently amortized from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term using the straight line method.

l) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following payments during the lease term: fixed payments (including in-substance fixed payments), and the exercise price under a purchase option that the Company is reasonably certain to exercise.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising mainly if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option, or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

m) New accounting standards and interpretations

The Company has performed an assessment of new IFRS pronouncements issued by the IASB that are not yet effective. An amendment to IAS 1, Presentation of Financial Statements replaces the requirement to disclose "significant" accounting policies with a requirement to disclose "material" accounting policies. This amendment is effective January 1, 2023. The other pronouncements are either not relevant to the Company or the impact of adopting them on its financial statements would not be significant.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	ESN, USA	Koster Dam, Canada	Quet & Fire, Canada	Total
Balance – October 26, 2021	$ -	$ -	$ -	$ -
Acquired from Ameriwest	-	146,720	48,500	195,220
Balance – January 31, 2022	**-**	**146,720**	**48,500**	**195,220**
Acquired from Ameriwest	2,557,550	(8,843)	3,292	2,551,999
Staking	7,838	-	-	7,838
Consulting and professional	4,383	34,191	-	38,574
Geological & geophysical	-	13,682	-	13,682
Reports and administration	-	11,938	-	11,938
Write-off of assets	-	-	(51,792)	(51,792)
Balance – January 31, 2023	**$ 2,569,771**	**$ 197,688**	**$ -**	**$ 2,767,459**

The exploration and evaluation assets acquired from Ameriwest were measured at fair value. As the fair value of the Company's equity ultimately issued in connection with the Arrangement Agreement was not readily determinable, and given that there had been no substantive change in the ownership of the assets on their acquisition, fair value was based on their current carrying amounts in the accounts of Ameriwest.

Koster Dam Property, Canada

On June 30, 2017, and later amended on October 26, 2018 and June 29, 2020, Ameriwest entered into an option and joint venture agreement, later replaced by an amended and restated option and joint venture agreement (the "Amended Agreement"), whereby Ameriwest was granted the option to acquire up to a 50% interest in 10 mineral claims in the Clinton Mining Division of British Columbia (the "Property"). Pursuant to the Amended Agreement, Ameriwest was granted the sole and exclusive right and option (the "Initial Option") to acquire a 45% right, title and interest in the Property by incurring a total of $110,495 of expenditures on the Property by October 1, 2020 and the sole and exclusive right and option (the "Second Option") to acquire an additional 5% right, title and interest in the Property by paying $50,000 in cash within 30 days of exercising the Initial Option.

If, during the term of the Amended Agreement and so long as the joint venture agreement is still in force, either party or any of its affiliates stakes any interest in mineral claims or any other form of mineral tenure (the "AOI Tenure") within two kilometers around the perimeter boundaries of the Property or any part thereof (the Area of Interest or "AOI") located wholly or partly within the AOI, the acquiring party must give notice to the other party of such staking. If staking occurs prior to the formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property. If a non-acquiring party so elects and if the AOI Tenure was staked by Ameriwest or any of its affiliates, the staking or acquisition costs shall constitute expenditures. If a non-acquiring party so elects and if the AOI Tenure was staked by the third party or any of its affiliates, Ameriwest shall reimburse the third party for the staking or acquisition costs and these costs will also constitute expenditures. If such staking occurs after formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property provided that it then holds a participating interest, excluding any interest in any royalty, in the Property. If the AOI Tenure becomes part of the Property, the acquiring party shall be reimbursed its staking costs in proportion to its participating interest and such reimbursement shall be deemed a cost of the joint venture.

On September 30, 2020, Ameriwest notified the third party that it had completed the minimum expenditure required to exercise the Initial Option and thereby acquired a 45% interest in the Koster Dam property.

On December 28, 2021, ISM, as transferee, entered into an Assignment and Novation Agreement (the "Koster Dam ANA") with Ameriwest, the transferor, and the third party, the Obligee. Pursuant to the Koster Dam ANA, Ameriwest assigned, transferred, set over and conveyed all of its right, title, estate and interest in and to the Amended Agreement and all rights, benefits, privileges and advantages of Ameriwest to be derived therefrom, to have and to hold the same unto ISM for its sole use and benefit in the same manner and to the same extent as if ISM had been originally named as a party thereto instead of Ameriwest.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

On December 29, 2021, the third party and ISM (the "Participants") entered into a Joint Venture Agreement (the "JV Agreement"). Pursuant to the terms of the JV Agreement, each of the Participants will be liable for their share of costs associated with the exploration, development or operation of the property, with each Participant's share of costs being equal to their interest in the property. At inception of the JV Agreement, ISM has a 45% interest in the joint venture.

Each Participant's respective interest will not change so long as each Participant contributes its respective share of costs. At any time after a Participant has elected not to contribute its share of costs, or loses its right to contribute its share of costs, then that Participant's interest will be reduced in accordance with the terms of the JV Agreement. If the interest of one of the Participants is reduced to 10% or less, their remaining interest will be transferred to the other Participant, and the diluted Participant's interest will be converted to a royalty interest, being 3.0% of net profits.

Per the terms of the JV Agreement, the Participants will establish a Management Committee consisting of two members, and two alternate members, representing each Participant. One member of the two members appointed by each Participant will be appointed as a voting member, with their number of votes being equal to the interest held by that Participant.

Pursuant to the JV Agreement, the third party will act as the initial managing operator of the joint venture.

Quet & Fire Property, Canada

On December 2, 2021, Ameriwest and ISM entered into an Asset Transfer Agreement whereby ISM purchased from Ameriwest a 100% interest in certain claims comprising the Quet & Fire Property for a nominal amount.

During the year ended January 31, 2023, the Company decided not to renew the claims comprising this property by allowing them to lapse due to the inconsequential size and location of the claims and lack of interest in pursuing them further. The Company wrote off the deferred costs associated with this property and recorded a write off of exploration and evaluation assets on statement of comprehensive loss in the amount of $51,792.

ESN Property, USA

On February 18, 2022, Ameriwest and ISM entered into an Asset Transfer Agreement whereby ISM purchased from Ameriwest a 100% interest in certain claims comprising the ESN Property for a nominal amount.

The claims making up the ESN Property are subject to an underlying production royalty based on the Net Smelter Returns ("NSR") from the production or sale of minerals from the property, at the rate of 2% of the NSR, with the Company having the right to repurchase each 1% of the royalty at the rate of US$1,000,000 for each 1% within five years after the date of the acquisition of the property.

6. RIGHT OF USE ASSET / LEASE LIABILITY

Right of use asset

The right of use asset is depreciated on a straight-line basis over the term of the lease. For the year ending January 31, 2023, the depreciation of the right of use assets was $10,796 (2022 - $Nil).

Right of use asset, October 26, 2021 and January 31, 2022	$	-
Additions		32,386
Depreciation of right of use asset		(10,796)
Right of use asset, January 31, 2023	$	21,590

Lease liability

Effective October 1, 2022, the Company entered into an office and services rental agreement. The Company will pay $3,000 per month for a twelve-month period with the lease expiring on September 30, 2023.

The weighted average incremental borrowing rate applied when calculating the present value of the lease liability was 20%.

For the year ending January 31, 2023, interest on the lease liabilities was $1,910 (2022 - $Nil).

(Expressed in Canadian Dollars)

6. RIGHT OF USE ASSET / LEASE LIABILITY (continued)

The continuity of the Company's lease liability is as follows:

Lease liability, October 26, 2021 and January 31, 2022	$	-
Additions		32,386
Accretion of interest		1,910
Payment of lease liability		(12,000)
Lease liability, January 31, 2023	$	22,296

7. SHARE CAPITAL

The Company has authorized an unlimited number of common shares without par value.

Fiscal 2023

On September 23, 2022, the Company issued 7,467,434 common shares valued at $2,646,219 to the shareholders of Ameriwest pursuant to the arrangement in relation to the acquisition of various gold assets (Notes 1 and 5).

On September 23, 2022, the Company completed a non-brokered private placement of 5,275,000 units at a price of $0.20 per unit for gross proceeds of $1,055,000. Each unit consists of one share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $0.40 for a period of 24 months from the date of issuance.

The Company incurred $5,327 of share issue costs during the year ended January 31, 2023. These costs related to the share issuance completed on November 29, 2021.

Fiscal 2022

On October 26, 2021, the Company issued 500 common shares for nominal consideration.

On November 29, 2021, the Company issued 1,000,000 common shares at a price of $0.50 per share for gross proceeds of $500,000.

Stock options

Under the Company's stock option plan, the maximum number of shares that may be reserved for issuance is limited to 10% of the issued and outstanding common shares of the Company at any time. Under the plan, the exercise price of an option may not be less than the discounted market price. The options may have a maximum term of 5 years and be vested at the discretion of the board of directors.

	Number of Options	Weighted Average Exercise Price ($)
Outstanding at October 26, 2021 and January 31, 2022	-	-
Granted	768,750	0.26
Outstanding at January 31, 2023	**768,750**	**0.26**

The weighted-average remaining contractual life of the options at January 31, 2023 was 2.98 years.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Stock options (continued)

Stock options outstanding as at January 31, 2023 is as follows:

Exercise price ($)	Number of options	Exercisable	Expiry Date
0.35	25,000	25,000	June 21, 2023
0.20	450,000*	450,000	September 23, 2025
0.35	106,250	106,250	April 30, 2026
0.35	25,000	25,000	August 16, 2026
0.35	162,500	162,500	February 9, 2027
	768,750	768,750	

* 50,000 stock options exercised subsequent to January 31, 2023

During the year ended January 31, 2023, as consideration for the arrangement agreement between Ameriwest and ISM (Note 1), the Company granted the following options to officers, directors and consultants:

i) 25,000 stock options exercisable at a price of $0.35 expiring on June 21, 2023 and vested on the grant date. These options were fair valued at $1,500 using the Black-Scholes option pricing model.

ii) 25,000 options exercisable at a price of $0.35, expiring on August 16, 2026 and vested on the grant date. These options were fair valued at $4,400 using the Black-Scholes option pricing model.

iii) 162,500 options exercisable at a price of $0.35, expiring on February 9, 2027 and vested on the grant date. These options were fair valued at $29,200 using the Black-Scholes option pricing model.

iv) 106,250 options exercisable at a price of $0.35, expiring on April 30, 2026 and vested on the grant date. These options were fair valued at $18,200 using the Black-Scholes option pricing model.

On September 23, 2022, the Company granted 450,000 stock options to officers and directors of the Company. These options have a value of $76,300, exercisable at a price of $0.20, expiring on September 23, 2025 and vested on the grant date.

The fair value of the stock options recorded during the year ended January 31, 2023 was calculated using the Black Scholes option pricing model for total share-based payment of $129,600, of which $53,300 was accounted for as a component of the consideration issued for the property interests in the arrangement agreement and $76,300 was recorded as share-based compensation. This was based on the following assumptions with no expected dividends or forfeitures:

	Year ended January 31, 2023
Exercise price	$0.20 – $0.35
Expected life	0.74 – 4.38 years
Expected volatility	139.26% – 165.59%
Risk-free interest rate	3.38% – 3.74%

Warrants

	Number of Warrants	Weighted Average Exercise Price ($)
Outstanding at October 26, 2021 and January 31, 2022	-	-
Issued	5,655,652	0.40
Outstanding, January 31, 2023	**5,655,652**	**0.40**

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Warrants (continued)

The weighted-average remaining contractual life of warrants at January 31, 2023 was 1.65 years.

Warrants outstanding as at January 31, 2023 is as follows:

Exercise price ($)	Number of warrants	Expiry Date
0.35	380,652	September 23, 2024
0.40	5,275,000	September 23, 2024
	5,655,652	

On September 23, 2022, the Company converted 380,652 warrants with a value of $47,700 from the arrangement agreement with an exercise price of $0.35 per share and expire on September 23, 2024.

On September 23, 2022, the Company issued 5,275,000 warrants related to the private placement. These warrants have an exercise price of $0.40 per share and expire on September 23, 2024.

The fair value of the warrants recorded during the year ended January 31, 2023 was calculated using the Black Scholes option pricing model for total share-based payment of $47,700, of which the entire amount was accounted for as a component of the consideration issued for the property interests in the arrangement agreement. This was based on the following assumptions with no expected dividends or forfeitures:

	Year ended January 31, 2023
Exercise price	$0.35
Expected life	2.00 years
Expected volatility	147.10%
Risk-free interest rate	3.74%

8. RELATED PARTY TRANSACTIONS

Key management personnel are the individuals responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the year ended January 31, 2023, the Company had the following transactions with related parties:

- $14,274 (2022 - $Nil) to an officer of the Company for consulting.
- $15,250 (2022 - $Nil) to officers of the Company for management services.
- $76,300 (2022 - $Nil) in share-based compensation to officers and directors of the Company.

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which is the amount agreed by the related parties.

Included in accounts payable and accrued liabilities at January 31, 2023 is $15,250 (2022 - $Nil) owing to officers of the Company for unpaid remuneration.

All amounts owing to related parties are unsecured, non-interest bearing and due on demand.

9. CAPITAL MANAGEMENT

The Company defines its capital as all components of shareholder's equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

10. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

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

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. There can be no assurance of continued access to significant equity funding. As at January 31, 2023, the Company had cash of $1,070,508 (2022 - $1,549,969).

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company considers this risk to be minimal.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions.

(e) Commodity Price Risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the market price of the primary minerals identified in its mineral properties. Mineral prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A sustained, significant decline in the prices of the primary minerals or in the share prices of junior mineral exploration companies in general, could have a negative impact on the Company's ability to raise additional capital. Sensitivity to commodity price risk is remote since the Company has not established any reserves or production.

(Expressed in Canadian Dollars)

11. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash transactions during the year ended January 31, 2023 included recognizing right of use asset of $32,386 for the new lease the Company entered into during the year.

12. INCOME TAXES

A reconciliation of income taxes at statutory rates of 27% (2022 – 27%) with the reported taxes is as follows:

	Year ended January 31, 2023	Period from inception October 26, 2021 to January 31, 2022
Net loss	$ 552,405	$ 31
Expected income tax recovery	(149,149)	(8)
Deductible and non-deductible amounts	36,897	-
Change in deferred tax assets	112,252	8
Deferred income tax recovery	$ -	$ -

The Company's deductible temporary differences and unused tax losses consist of the following amounts:

	January 31, 2023	January 31, 2022
Non-capital loss carry-forwards	$ 411,517	$ 31
Share issue costs	4,262	-
	$ 415,779	$ 31

The Company has available for deduction against future taxable income non-capital losses of approximately $411,517 (2022 - $31). These losses, if not utilized, will expire between 2042 and 2043.

13. SUBSEQUENT EVENTS

Subsequent to January 31, 2023, the Company:

a) completed a non-brokered private placement of 10,000,000 units at a price of $0.15 per unit for gross proceeds of $1,500,000. Each unit consists of one share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $0.20 for a period of 24 months from the date of issuance.

b) issued 50,000 common shares pursuant to an exercise of options at a price of $0.20 for total proceeds of $10,000.