CANADA RARE EARTH CORP.

Unaudited Condensed Consolidated Interim Financial Statements
(Stated in Canadian Dollars)

For the Six Months Ended September 30, 2023

NOTICE OF NO AUDITOR REVIEW OF
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Canada Rare Earth Corp. for the six months ended September 30, 2023 have been prepared by and are the responsibility of the Company's management and have been approved by the Company's audit committee.

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

CANADA RARE EARTH CORP.

September 30, 2023

CANADA RARE EARTH CORP.
Consolidated Condensed Interim Statements of Financial Position
(Prepared by Management – Unaudited)

As at	Note	September 30 2023 $	March 31 2023 $
ASSETS			
Current			
Cash		15,246	220,630
Trade and other receivables	3	1,051,417	574,164
Prepaid expenses and deposits	4	249,780	464,796
Total current assets		1,316,443	1,259,590
Non-current			
Right-of-use asset – office lease	5	171,171	207,059
Property, plant & equipment	6	86,426	91,073
Other assets	7	-	2
Intangible assets	8	24,442	37,776
Investment in associate company	9	855,213	679,297
		1,137,252	1,015,207
Total assets		2,453,695	2,274,797
LIABILITIES			
Current			
Accounts and other payables	10	858,089	648,305
Loans payable	11	599,503	1,017,639
Deferred revenue	12	747,085	-
Total current liabilities		2,204,677	1,665,944
Non-current			
Accounts and other payables	10	671,840	602,723
		671,840	602,723
Total liabilities		2,876,517	2,268,667
SHAREHOLDERS' DEFICIENCY			
Share capital	13	17,576,557	17,576,557
Reserves		9,115,624	9,031,024
Deficit		(27,115,003)	(26,601,451)
Total shareholders' deficiency		(422,822)	6,130
Total liabilities and shareholders' deficiency		2,453,695	2,274,797

Note 1 – Going concern of operations
Note 16 – Commitments and contingent liabilities

On behalf of the Company:

"Tracy A. Moore"	Director	*"Peter Shearing"*	Director
Tracy A. Moore		Peter Shearing	

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

CANADA RARE EARTH CORP.
Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
(Prepared by Management – Unaudited)

		Three months ended September 30		Six months ended September 30	
	Note	2023	2022	2023	2022
		$	$	$	$
Revenue		43,022	1,941,936	804,424	2,659,655
Expenses					
Cost of sales		48,020	1,579,232	659,607	2,154,997
Consulting fees		280,818	136,750	461,504	264,940
Depreciation and amortization		22,283	17,433	40,535	34,865
Interest		14,066	18,173	28,205	34,846
Office and administration		30,085	68,463	56,500	87,562
Shared-based payments		33,600	34,000	84,600	101,000
		428,872	1,854,051	1,330,952	2,678,210
Profit (Loss) before other items		(385,850)	87,885	(526,528)	(18,555)
Other income (expense)					
Foreign exchange loss		(10,255)	(47,832)	(5,072)	(49,087)
Loss on investment in Associate		(2,725)	-	(6,083)	-
Other income		11,964	56,637	24,131	68,803
Net income (loss) and comprehensive income (loss) for the period		(386,866)	96,690	(513,552)	1,161
Loss per share – basic and diluted per common share		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average shares outstanding, basic and diluted		226,938,812	216,314,652	226,938,812	216,314,652

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

CANADA RARE EARTH CORP.
Condensed Consolidated Interim Statements of Changes in Deficiency
(Prepared by Management – Unaudited)

	Share capital		Reserves	Deficit	Total
	Number of shares	Share capital $	$	$	$
Balance at March 31, 2022	208,126,530	17,470,020	8,770,524	(26,772,718)	(532,174)
Shares issued as part of private placement	1,731,166	103,870		-	103,870
Options exercised	50,000	2,500	-		2,500
Share-based payments	-	-	101,000	-	101,000
Net and comprehensive income for the period	-	-	-	1,161	1,161
Balance at September 30, 2022	209,907,696	17,576,390	8,871,524	(26,771,557)	(323,643)
Balance at March 31, 2023	209,907,696	17,576,557	9,031,024	(26,601,451)	6,130
Share-based payments			84,600	-	84,600
Net and comprehensive loss for the period	-	-	-	(513,552)	(513,552)
Balance at September 30, 2023	209,907,696	17,576,557	9,115,624	(27,115,003)	(422,822)

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

CANADA RARE EARTH CORP.

Condensed Consolidated Interim Statements of Cash Flows

(Prepared by Management – Unaudited)

Six months ended September 30	2023 $	2022 $
Cash flows provided by (used in):		
Operating activities		
Net income (loss) and comprehensive income (loss) for the period	(513,552)	1,161
Adjustments for:		
Share-based payments	84,600	101,000
Amortization – intangible assets	13,334	13,334
Depreciation – right-of-use asset	35,888	31,855
Depreciation – property, plant & equipment	4,647	3,010
Interest on loans and lease liability	19,926	21,458
Loss on investment in associate	6,083	-
Write down – other assets	2	-
Changes in non-cash working capital items:		
Foreign exchange loss on loans	(349)	43,579
Trade and other receivable	(477,253)	(317,809)
Prepaid expenses and deposits	215,016	(1,641,988)
Accounts payable and accrued liabilities	306,632	100,837
Deferred Revenue	747,085	1,797,569
Net cash flows provided by operating activities	442,059	154,006
Financing activities		
Principal portion of lease liability	(27,731)	(27,731)
Repayment of loans and interest	(720,303)	(185,662)
Proceeds from loans	282,590	771,918
Proceeds from shares issuance	-	106,370
Net cash flows provided by (used in) financing activities	(465,444)	664,895
Investing activities		
Investment in associate	(181,999)	(190,354)
Net cash flow used in investing activities	(181,999)	(190,354)
Change in cash during the period	(205,384)	628,547
Cash, beginning of period	220,630	76,982
Cash, end of period	15,246	705,529

The accompanying notes form an integral part of these condensed consolidated interim financial statement

1. Nature and Continuance of Operations

Canada Rare Earth Corp. ("Canada Rare Earth" or the "Company") is a Canadian public company incorporated in British Columbia on July 8, 1987. The Company's corporate office is located at Suite 2110 – 650 West Georgia Street, Vancouver, British Columbia, Canada. The Company is developing a vertically and horizontally integrated business within the global essential minerals industries including the rare earth industry.

These condensed consolidated interim financial statements ('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 for the foreseeable future. The Company incurred a loss of $513,552 during the six months ended September 30, 2023 (September 30, 2022 – net income $1,161) and, as of that date, the Company's deficit was $27,115,003 (September 30, 2022 - $26,771,557). The Company is dependent on its ability to generate revenues and positive cash flow and/or to raise additional funds via debt and/or capital financing to meet its current financial obligations and to accomplish its goals including the establishing of an integrated essential minerals business. There is no assurance it will be able to raise such funds. The Company had cash of $15,246 at September 30, 2023 (March 31, 2023 - $220,630) and a working capital deficiency of $888,234 (March 31, 2023 - $406,354). Excluding current liabilities owing to related parties of $794,134 the Company would have a working capital deficiency of $94,100 as of that date.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are described below. These policies have been consistently applied for all years presented, unless otherwise stated.

a) Statement of compliance

These Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and its interpretations. Accordingly, they do not include all of the information and note disclosures as required by International Financial Reporting Standards ("IFRS") for annual financial statements.

The accounting policies and methods of computation applied by the Company in these Financial Statements are the same as those applied by the Company in its most recent annual consolidated financial statements filed on the Company's profile on SEDARPLUS at www.sedarplus.ca. These Financial Statements should be read in conjunction with the Company's financial statements as at and for the year ended March 31, 2023. Results for the period ended September 30, 2023, are not necessarily indicative of future results.

The Company's board of directors approved the release of these condensed consolidated financial statements on November 29, 2023.

b) Basis of presentation and consolidation

These Financial Statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

Certain comparative amounts have been reclassified to conform to the presentation adopted in the current period.

These Financial Statements include the accounts of the Company and the subsidiaries that it controls. Control is achieved when the Company is exposed to, 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. Intercompany balances and transactions including any unrealized income and expenses arising from intercompany transactions are eliminated upon consolidation.

At September 30, 2023 and March 31, 2023, the Company held a 100% interest in REM Metals Inc., a 100% interest in CREC South American Holdings Corp. ("CREC SAH"), and a 20 % interest in CREC South American Holdings (BF) Corp, which holds 100% of Canbras Bom Futuro LTDA.

c) Significant accounting estimates and judgments

The preparation of these Financial Statements in conformity with IAS 34 involved the use of judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from such estimates.

d) No provision has been made for current income taxes as the Company has no taxable income. As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized for the current period.

e) Changes in accounting policies and new accounting treatment

Amendment to IAS 1 – Presentation of Financial Statements: Amendments to IAS 1 were issued by the IASB in January 2020 to clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability. The Amended IAS1 is now effective for annual reporting periods beginning on or after 1 January 2023. Adoption of IAS1 does not have a material effect on the Company's financial position.

3. Trade and Other Receivables

At September 30, 2023 and March 31, 2023, trade and other receivables were as follows:

	September 30, 2023 $	March 31, 2023 $
Amounts receivable	1,032,257	565,159
GST receivable	19,160	9,005
	1,051,417	574,164

4. Prepaid Expenses and Deposits

As at September 30, 2023, the Company had advanced $245,261 (March 31, 2023 - $453,116) to a supplier to secure future deliveries of Mineral Products.

	September 30, 2023 $	March 31, 2023 $
Prepaid expenses	4,519	11,680
Deposits	245,261	453,116
	249,780	464,796

5. Right of Use Asset/Lease Liability

Changes in the Company's right-of-use assets during the period ended September 30, 2023, and year ended March 31, 2023 were as follows:

	September 30, 2023 $	March 31, 2023 $
Balance, beginning of period	207,059	270,769
Depreciation	(35,888)	(63,710)
Balance, end of period	171,171	207,059

Minimum lease payments in respect of lease liabilities and the effect of discounting as of September 30, 2023 and March 31, 2023 were as follows:

	September 30, 2023 $	March 31, 2023 $
Undiscounted minimum lease payments:		
Less than one year	80,838	78,842
More than one year	146,706	187,624
	227,544	266,466
Effect of discounting	(30,924)	(42,115)
`	196,620	224,351

Changes in the Company's lease liabilities during the period ended September 30, 2023, and year ended March 31, 2023, were as follows:

	September 30, 2023 $	March 31, 2023 $
Balance, beginning of period	224,351	273,786
Principal payments	(27,731)	(49,435)
Balance, end of period (Note 10)	196,620	224,351

6. Property, Plant & Equipment

	$	$	$
Cost	Magnets Frames & Separators	Fixtures & Fittings	Total
At March 31 and September 30, 2023	101,173	2,994	104,167
Accumulated depreciation			
At March 31, 2023	12,093	1,001	13,094
Depreciation expense	4,347	300	4,647
At September 30, 2023	16,440	1,301	17,741
Net book value			
At March 31, 2023	89.080	1,993	91,073
At September 30, 2023	84,733	1,693	86,426

7. Other Assets

a) Mata Azul Promissory Note

During the year ended March 31, 2018, it was determined that collectability of the promissory note was uncertain and, accordingly, the promissory note was written off.

b) Mata Azul Participation Right

During the year ended March 31, 2018, it was determined that recoverability of the participation right and collectability of the US$12,500 loan advanced in November 2014 were uncertain. Accordingly, the participation right and the loan were written off.

8. Intangible Assets

	Contacts, leads & sources $
Cost	
At March 31 and September 30, 2023	80,000
Accumulated amortization	
At March 31, 2023	42,224
Amortization expense	13,334
At September 30, 2023	55,558
Net book value	
At March 31, 2023	37,776
At September 30, 2023	24,442

Amortization expense for the six months ended September 30, 2023 of $13,334 (September 30, 2022 – 13,334) is included in cost of sales.

On July 17, 2021, the Company entered into an Asset Purchase Agreement ("APA") to acquire a book of contacts, leads, sources and prospective customers for $80,000 settled through the issuance of 1,000,000 shares, subject to certain vesting requirements. As at September 30, 2023, vesting requirements for 600,000 shares have been fulfilled. The balance of the 400,000 shares would be vested on July 17, 2024.

Pursuant to the agreement, the Company engaged the vendor as the Company's Head of Global Trading for a four-year term, subject to a 90-day termination notice from either party. As a portion of this individual's compensation, the Company granted options to the vendor to purchase up to 1,000,000 shares at an exercise price of $0.08 until July 17, 2026, vesting over 18 months. These options were fully vested as of September 30, 2023. Up to 2,000,000 additional share options may be granted to the vendor if the agreement remains in effect through its four-year term expiring on July 17, 2025.

9. Investments in Associate

Name	Country of incorporation	Ownership interest at September 30, 2023
CREC South American Holdings (BF) Corp.	Canada	20%

CREC South American Holdings (BF) Corp, a British Columbian-incorporated private company, owns 100% of Canbras Bom Futuro Ltda. ("CBFL"), a Brazilian private company. CBFL is a development-stage company that holds an agreement for the exclusive rights to develop and process tailings on a leased property valued at US$11 million (the "Purchase Price"). The Purchase Price is payable by CBFL over ten years, with a US$600,000 payment made in January 2020 and monthly US$100,000 payments originally required from September 1, 2020 to April 1, 2029 (due to the COVID-19 pandemic, the Company and its two arm's- length partners [the "Investors"] claimed "force majeure" and postponed making monthly payments, with payments resuming during the year ended March 31, 2022).

Pursuant to the Agreement, CBFL:

• owns the existing mining and processing waste and rejects which include various minerals including rare earths, cassiterite, ilmenite and zircon (the "Tailings") originating from past (over 25 years), current and future mining activities;

• has leased the surface rights to the 9,960-hectare property where the mining activities occur in order to process or relocate the Tailings and place waste and rejects from its operations;

• is able to use the vendors' licenses and permits required to conduct its operations;

• has the right of first refusal to purchase the mineral rights and licenses held by the vendors; and

• has the option to require the vendors to reacquire the Tailings for US$1 and terminate the lease by providing three months' written notice, with no further obligations beyond the notice period. Upon expiration of the term, the vendors have the option to require CBFL to sell back the Tailings for US$1 and terminate the lease and obligations by providing three months' written notice.

Changes in the Company's investment in CREC South American Holdings (BF) Corp during the period ended September 30, 2023 and year ended March 31, 2023 were as follows:

	September 30, 2023 $	March 31, 2023 $
Balance, beginning of period	679,297	331,701
Company's 20% share of net loss for the period	(6,083)	(21,904)
Amount advances to associate company	181,999	369,500
Balance, end of period	855,213	679,297

10. Accounts and Other Payables

At September 30, 2023 and March 31, 2023, accounts and other payables were as follows:

	September 30, 2023 $	March 31, 2023 $
Accounts payable and other payables	794,954	590,322
Lease liabilities	63,135	57,983
	858,089	648,305
Non-current		
Accounts payable and other payables	538,355	436,355
Lease liabilities	133,485	166,368
	671,840	602,723

11. Loans Payable

At September 30, 2023 and March 31, 2023, loans payable were as follows

:	September 30, 2023 $	March 31, 2023 $
Balance, beginning of period	1,017,639	535,684
Addition	282,590	1,646,884
Repayment	(696,757)	(1,212,272)
Interest accrued	19,923	76,827
Interest paid	(23,543)	(53,274)
Foreign exchange loss (gain)	(349)	23,790
Balance: end of period	599,503	1,017,639

The unsecured loans bear interest at up to 12% per annum. Included in loans payable was $ 299,740 provided by related parties (Year ended March 31, 2023 - $126,233). Interest of $3,740 was accrued to the related party loans as of September 30, 2023 (Year ended March 31, 2023 - $1,233).

12. Deferred Revenue

During the six months ended September 30, 2023, the Company received customer deposits of $742,827 (Six months ended September 2022 -$Nil) for prepayment on mineral products sales and an advance of $4,258 for office rental share.

13. Share Capital and Reserves

a) Share Capital

Authorized: Unlimited common shares without par value.

Issued: 209,907,696 (March 31, 2023 – 209,907,696) common shares.

During the year ended March 31, 2023, 50,000 shares were issued upon exercise of stock options for cash consideration of $2,500

During the year ended March 31, 2023, a private placement of 1,731,166 units of capital stock was completed at $0.06 per unit for total cash proceeds of $103,870. Each unit entitles the holder to one common share and a share purchase warrant to purchase one common share at $0.08 per share for 24 months from the date of issuance May 24, 2022.

b) The Company may grant options to the Company's directors, officers, employees and service providers under the Company's stock option plan, which allows up to 20% of the Company's outstanding shares to be granted as options, subject to shareholder approval. The number of options approved by the shareholders reserved for issuance under the plan totals 38,880,028. In July 2021, at the Company's Annual General Meeting, the Company's shareholders authorized an amendment to the existing stock option plan allowing an increase in the number of shares reserved for issuance under the plan from 33,880,028 to 40,158,906, being 20% of the Company's issued and outstanding shares. The amendment is subject to application to and approval by the TSX Venture Exchange.

During the six months ended September 30, 2023, the Company grated an aggregate of 2,150,000 options (Year ended March 31, 2023 – 3,625,000 options) subject to vesting criteria and expensed $84,600 (Year ended March 31, 2023 - $262,000) as share-based payments.

The Company recognizes share-based payments in connection with stock options granted over their respective vesting periods, with stock options typically vesting in various increments and having a maximum term of five years.

The weighted average grant-date fair value of options granted during the six months ended September 30, 2023 was $0.07. The Company employed the Black-Scholes option-pricing model using the following weighted average assumptions:

Six months ended September 30	2023	2022
Volatility	155.75	131.40
Expected life	3 years	5 years
Risk-free interest rate	2.90%	0.50%
Dividend yield	0%	0%

A summary of stock option activity to September 30, 2023 is as follows:

	Number	Weighted Average Exercise Price $
Options outstanding at March 31, 2021	16,225,000	0.06
Granted	2,100,000	0.08
Exercised	(2,675,000)	0.05
Expired	(300,000)	0.05
Cancelled	(3,550,000)	0.05
Options outstanding at March 31, 2022	11,800,000	0.06
Granted	3,625,000	0.06
Exercised	(50,000)	0.05
Expired	(2,075,000)	0.05
Options outstanding at March 31, 2023	13,300,000	0.08
Granted	2,150,000	0.05
Expired	(150,000)	0.07
Options outstanding at September 30, 2023	15,300,000	0.07

The Company's outstanding and exercisable stock options as at September 30, 2023 were:

		Outstanding Options				Exercisable Options	
Expiry Date		Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price $		Number	Weighted Average Exercise Price $
December 2023		125,000	0.25	0.07		125,000	0.07
February 2024		150,000	0.38	0.06		150,000	0.06
February 2024		1,000,000	0.48	0.05		1,000,000	0.05
May 2025		500,000	1.64	0.055		500,000	0.06
October 2025		4,025,000	2.04	0.07		4,025,000	0.07
March 2026		250,000	2.42	0.17		250,000	0.17
March 2026		2,000,000	2.45	0.11		2,000,000	0.17
May 2026		2,150, 000	2.58	0.11		716,667	0.11
May 2026		100,000	2.60	0.095		100,000	0.095
July 2026		1,000,000	2.80	0.08		1,000,000	0.08
August 2026		500,000	2.88	0.095		500,000	0.095
April 2027		3,000,000	3.53	0.07		3,000,000	0.07
March 2028		500,000	4.45	0.05		250,000	0.07
		15,300,000	2.51	0.07		13,616,667	0.07

c) Share Purchase Warrants

During the year ended March 31, 2023, the Company issued 1,731,166 share purchase warrants exercisable at $ 0.08 per share for 24 months after the issuance date of May 4, 2022. The warrants have a weighted average remaining life of 8 months, expiring in May 2024.

14. Related Party Transactions

Key management personnel compensation was:

Six Months Ended September 30	2023 $	2022 $
Short-term benefits	231,000	213,000
Share-based payments	42,045	52,841
	273,045	265,841

The short-term benefits were paid or accrued to management and directors of the Company or to companies controlled by management and directors.

During the six months ended September 30, 2023, $24,334 (2022 - $24,334) of the office rental and related costs were paid by a Director of the Company. The Company has a verbal agreement with the Director to share a percentage of the lease repayments based upon office space utilized.

The fees charged by the related parties are in the normal course of operations and are measured at the exchange amount which is amount of consideration established and agreed to by the related parties.

The Company owes related parties $1,332,489 as at September 30, 2023 (March 31, 2023 - $1,024,982). $538,355 (March 31, 2023 - $436,355) of this amount has been presented as a non-current liability and $229,740 (March 31, 2023 - $126,233) as loans payable, and the balance of $564,394 (March 31, 2023 - $462,394) as current accounts payable. The payment terms are similar to the payment terms of non-related party trade payables

15. Risk Management

The Company's financial instruments are exposed to certain risks, including credit risk, liquidity risk, interest rate risk, foreign exchange risk and market risk.

a) Credit risk

Credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. Credit risk arises from cash, trade receivables and deposits. While the Company is exposed to credit losses due to the non-performance of its counterparties and there is a significant concentration of credit risk because the trade receivables and deposits are receivable from/held by a single counterparty, management does not consider this to be a material risk.

The Company mitigates the risk of default of accounts receivable by assessing the credit worthiness of customers prior to sale and shipment of product. In addition, the Company may require customers to advance deposits.

For trade receivables, the simplified approach is applied for determining expected credit losses. This requires the lifetime expected losses to be determined for all trade receivables. The expected lifetime credit loss provision for trade receivables is based on historical counterparty default rates and adjusted for relevant forward-looking information, as required. Since the Company's buyer is considered to have low default risk and the Company's historical default rate and frequency of loss are low, the lifetime expected credit loss allowance for trade receivables is nominal as at September 30, 2023.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. At September 30, 2023, the Company had cash of $15,246 to meet current financial liabilities of $2,204,677.

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk. The Company currently does not have any financial instruments that would be impacted by changes in market prices.

d) Foreign currency exchange rate risk

The Company is exposed to foreign currency fluctuations as it has cash, receivables and certain loans payable denominated in US dollar. There are no exchange rate contracts in place. A 10% change in the US dollar will affect profit/loss by approximately $ 42,000.

Financial instruments denominated in foreign currencies are:

At September 30, 2023	US Dollars
Assets	672.000
Liabilities	251,000
Exchange rate / $1.00 =	0.7407

At March 31, 2023	US Dollars
Assets	412,027
Liabilities	640,259
Exchange rate / $1.00 =	07389

e) Risk of economic dependency

The Company is reliant on one customer for most of its sales of mineral concentrate. If the Company's relationship is impaired with this customer, it would have an adverse impact on the Company's business.

16. Commitments and Contingent Liabilities

a) Pursuant to the Company's contracts for the sale of concentrate to a rare earth company in Asia, the buyer has the right to seek replacement or appropriate compensation within 12 months after arrival of the goods at destination based on an inspection certificate issued by the relevant government inspection authority.

b) The Company's associate company acquired certain exploration and evaluation assets in South America in December 2019 and as part of the agreement, is obligated to make its pro-rata share of the US$100,000 monthly payments until April 2029.

c) In February 2021, the Company entered a commercial property lease at 650 West Georgia Street, Vancouver, B.C. expiring June 2026. This lease commenced in July 2021 for a term of five years.

17. Subsequent Event

On November 7, 2023, the Company issued 1,680,000 shares at $0.03 per share to a third party for consultancy services rendered to the Company.

18.Segment Reporting

Based on the primary products the Company sell, it has one reportable segment – mineral products:

Three Months ended September 30, 2023	Mineral Products	Corporate	Total
	$	$	$
Segment revenues	43,022	-	43,022
Cost of sales	48,020	-	48,020
Gross profit	(4,998)	-	(4,998)
Expenses	-	(380,852)	(380,852)
Profit (loss) from operations	(4,998)	(380,852)	(385,850)
Other items (net)	-	(1,016)	(1,016)
Profit (loss) before taxes	(4,998)	(381,868)	(386,866)

Three Months ended September 30, 2022	Mineral Products	Corporate	Total
	$	$	$
Segment revenues	1,941,936	-	1,941,936
Cost of sales	1,579,232	-	1,579,232
Gross profit	362,704	-	362,704
Expenses	-	(274,819)	(274,819)
Profit (loss) from operations	362,704	(274,819)	87,885
Other items (net)	-	8,805	8,805
Profit (loss) before taxes	362,704	(266,014)	96,690

Six Months ended September 30, 2023	Mineral Products	Corporate	Total
	$	$	$
Segment revenues	804,424	-	804,424
Cost of sales	659,607	-	659,607
Gross profit	144,817	-	144,817
Expenses	-	(671,345)	(671,345)
Profit (loss) from operations	144,817	(671,345)	(526,528)
Other items (net)	-	12,976	12,976
Profit (loss) before taxes	144,817	(658,369)	(513,552)

Six Months ended September 30, 2022	Mineral Products	Corporate	Total
	$	$	$
Segment revenues	2,659,655	-	2,659,655
Cost of sales	(2,154,997)	-	(2,154,997)
Gross profit	504,658	-	504,658
Expenses	-	(523,213)	(523,213)
Profit (loss) from operations	504,658	(523,213)	(18,555)
Other items (net)		19,716	19,719
Profit (loss) before taxes	504,658	(503,467)	1,161