SLAM Exploration Ltd.

Financial Statements

For the Year Ended January 31, 2023
(Expressed in Canadian dollars)

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Adam Kim
ADAM SUNG KIM LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
Slam Exploration Ltd.

Opinion
I have audited the financial statements of Slam Exploration Ltd. (the "Company"), which comprise the statements of financial position as at January 31, 2023 and January 31, 2022, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in equity for the years ended January 31, 2023 and January 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2023 and January 31, 2022, and its financial performance and its cash flow for the years ended January 31, 2023 and January 31, 2022 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern
I draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $280,436 during the period ended January 31, 2023 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of $25,044,483 since its inception, and expects to incur further losses in the development of its business. 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. My opinion is not modified in respect of this matter.

Key Audit Matter
Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements for the year ended January 31, 2023. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

In addition to the matter described in the "Material Uncertainty Related to Going Concern" section of the auditor's report, I have determined the matters described below to be the key audit matters to be communicated in my auditors' report.

Evaluation of indicators of impairment for exploration and evaluation assets

Description of the matter

I draw attention to Notes 2, 3 and 8 to the financial statements. The Company has exploration and evaluation assets of $1,157,146 as at January 31, 2023. The carrying amounts of the Company's exploration and evaluation assets are reviewed each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Significant judgment is required in assessing indicators of impairment. The Company completes an evaluation at each reporting period of potential impairment indicators.

Why the matter is a key audit matter
I identified the evaluation of indicators of impairment for exploration and evaluation assets as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of exploration and evaluation assets. This matter was of most significance due to the difficulties in evaluating the result of my audit procedures to assess the Company's determination of whether the factors, individually and in the aggregate, resulted in indicators of impairment.

How the matter was addressed in the audit

The following are the primary procedures I performed to address this key audit matter.

I evaluated the Company's analysis of impairment indicators by:
• Obtaining an understanding of management's process for developing an assessment of the existence of impairment indicators.
• Assessing whether the information in the analysis was consistent with information included in internal communicates to management and the Board of Directors, the Company's press releases, management's discussion and analysis, and other public filings

• Reading updated technical reports for any indicators of impairment arising from changes to estimates of mineral reserves and resources
• Considering evidence obtained in other areas of the audit, including the status of significant mineral licenses and expenditures on mineral properties, the results of exploration activities and any updates to estimates of mineral reserves and resources
• Comparing the Entity's market capitalization to the carrying value of its net assets.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I are required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the 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 Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

• Identify and assess the risks of material misstatement of the 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Adam Kim, CPA, CA.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

Unit# 172 – 4300 North Fraser Way
Burnaby, BC, Canada V5J 5J8
May 29, 2023

SLAM Exploration Ltd.

Statements of Financial Position

(Expressed in Canadian dollars)

As at	January 31, 2023	January 31, 2022
Assets		
Current Assets		
Cash and cash equivalents	**$ 164,102**	$ 444,679
Amounts receivable	**29,493**	82,777
Sales tax receivable	**40,780**	9,964
Marketable securities (Note 5)	**259,683**	167,873
Prepaid expenses (Note 6)	**3,604**	5,265
Total current assets	**497,662**	710,558
Exploration and evaluation assets (Note 8)	**1,157,146**	1,072,459
Right of use asset (Notes 9)	**20,181**	29,495
Total assets	**$ 1,674,989**	$ 1,812,512
Liabilities		
Current liabilities		
Trade payables and accrued liabilities (Note 13)	**$ 500,889**	$ 427,382
Short-term loan payable (Note 10)	**60,000**	54,497
Lease liability (Notes 9)	**9,436**	8,895
Total current liabilities	**570,325**	490,774
Long-term liabilities		
Lease liability (Notes 9)	**11,734**	21,169
Total long-term liabilities	**11,734**	21,169
Total liabilities	**582,059**	511,943
Equity		
Share capital (Note 11)	**25,564,260**	25,504,360
Share options reserve (Note 11)	**184,871**	228,588
Warrants reserve (Notes 11)	**388,282**	381,032
Deficit	**(25,044,483)**	(24,813,411)
Total equity	**1,092,930**	1,300,569
Total liabilities and equity	**$ 1,674,989**	$ 1,812,512

Nature of operations and going concern (Note 1)
Commitment (Note 7) and Contingencies (Note 12)
Subsequent events (Note 17)

Approved and authorized for issue by the Board on May 29, 2023.

Signed: *"Michael Taylor"*
Michael R. Taylor, President and CEO

Signed: *"Eugene Beukman"*
Eugene Beukman, CFO

Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

Years ended January 31		2023		2022
Administrative expenses				
Accounting, legal, and audit fees	**$**	**97,737**	$	94,665
Accretion (Notes 9 and 10)		**6,992**		7,322
Advertising and promotion		**6,247**		1,517
Consulting and communication fees		**14,826**		18,413
Depreciation		**9,314**		7,780
Office and administrative		**47,638**		60,564
Share-based compensation		**-**		134,815
Travel		**3,540**		788
Total administrative expenses		**186,294**		325,864
Loss before the undernoted		**(186,294)**		(325,864)
Consulting revenue		**15,574**		39,500
Write-off of accounts receivable		**(58,194)**		-
Government grant (Note 10)		**-**		5,609
Impairment of exploration and evaluation assets (Note 8)		**(307,068)**		(41,390)
Property option revenue (Note 8)		**372,686**		343,344
Gain (loss) on sale of marketable securities (Note 5)		**(145,602)**		67,687
Unrealized gain (loss) on marketable securities (Note 5)		**10,759**		(124,567)
Write-off of equipment		**-**		(259)
Loss before income taxes		**(298,139)**		(35,940)
Deferred income tax recovery (Note 15)		**17,703**		-
Net loss and comprehensive loss for the year	**$**	**(280,436)**	$	(35,940)
Loss per share – basic and diluted	**$**	**(0.01)**		$(0.00)
Weighted average number of common shares – basic and diluted		**60,034,298**		52,834,708

Statements of Changes in Equity

(Expressed in Canadian dollars)

	Share Capital		Reserves			
	Number of Shares	Amount	Share Options	Warrants	Deficit	Total Equity
Balance as at January 31, 2021	***50,397,245***	**$ 25,160,896**	**$ 99,670**	**$ 146,337**	**$ (24,807,159)**	**$ 599,744**
Flow-through private placements	*8,627,003*	352,665	-	237,311	-	589,976
Cash paid as finder's fees for flow-through private placements	-	(41,017)	-	-	-	(41,017)
Shares issued as finder's fees for flow-through private placements	*284,514*	-	-	-	-	-
Fair value of finder's warrants issued for flow-through private placement	-	(13,896)	-	13,896	-	-
Exercised warrants	*250,000*	20,000	-	-	-	20,000
Fair value of exercised warrants transferred to share capital	-	16,512	-	(16,512)	-	-
Shares issued for mineral properties (Note 11)	*120,000*	9,200	-	-	-	9,200
Share-based compensation	-	-	158,606	-	-	158,606
Expired and forfeited share options (Note 11)	-	-	(29,688)	-	29,688	-
Net loss and comprehensive loss for the year	-	-	-	-	(35,940)	(35,940)
Balance as at January 31, 2022	***59,678,762***	**$ 25,504,360**	**$ 228,588**	**$ 381,032**	**$ (24,813,411)**	**$ 1,300,569**
Flow-through private placements	*1,530,000*	63,603	-	12,897	-	76,500
Flow-through share premium	-	(17,703)	-	-	-	(17,703)
Shares issued for mineral properties (Note 11)	*300,000*	14,000	-	-	-	14,000
Expired and forfeited warrants (Note 11)	-	-	-	(5,647)	5,647	-
Expired and forfeited share options (Note 11)	-	-	(43,717)	-	43,717	-
Net loss and comprehensive loss for the year	-	-	-	-	(280,436)	(280,436)
Balance as at January 31, 2023	***61,508,762***	**25,564,260**	**184,871**	**388,282**	**(25,044,483)**	**1,092,930**

SLAM Exploration Ltd.

Statements of Cash Flows

(Expressed in Canadian dollars)

Years ended January 31	2023	2022
Operating Activities		
Net loss for the year	$ **(280,436)**	$ (35,940)
Accretion expense	**6,992**	7,322
Depreciation	**9,314**	7,780
Government grant	**-**	(5,609)
Loss (gain) on sale of marketable securities	**145,602**	(67,687)
Property option revenue	**(372,686)**	(343,344)
Share-based compensation	**-**	134,815
Impairment expense of exploration and evaluation assets	**307,068**	41,390
Unrealized loss (gain) on marketable securities	**(10,759)**	124,567
Deferred income tax recovery	**(17,703)**	-
Write-off of accounts receivable	**58,194**	-
Write-off of equipment	**-**	259
Change in non-cash operating working capital		
Receivables	**1,090**	(66,036)
Prepaid expenses and other receivables	**1,661**	(2,020)
Sales tax receivable	**(30,816)**	(106)
Trade payables and accrued liabilities	**73,507**	2,476
Cash flows used in operating activities	**(108,972)**	(202,133)
Financing Activities		
Shares issued for cash	**76,500**	589,976
Shares issue costs	**-**	(41,017)
Exercise of warrants	**-**	20,000
Loan payable	**-**	30,000
Lease liability payment	**(10,383)**	(8,653)
Cash provided by financing activities	**66,117**	590,306
Investing Activities		
Exploration and evaluation expenditures, net of recoveries	**(467,570)**	(526,254)
Cash received pursuant to property option-out agreements	**155,000**	50,000
Government assistance received	**24,000**	26,000
Proceeds from sale of marketable securities	**50,848**	269,437
Cash used in investing activities	**(237,722)**	(180,817)
Change in cash and cash equivalents	**(280,577)**	207,356
Cash and cash equivalents		
Beginning of year	**444,679**	237,323
End of year	$ **164,102**	$ 444,679

Supplemental disclosure with respect to cash flows (Note 14)

1. Nature of operations and going concern

SLAM Exploration Ltd. (the “Company” or "SLAM"), is engaged in the acquisition, exploration and development of exploration and evaluation properties in New Brunswick, Nova Scotia, and Ontario, Canada. The Company was incorporated under the Canada Business Incorporation Act on November 26, 1996. The Company is publicly traded on the TSX Venture Exchange under the symbol “SXL”. The head office of the Company is located at 295 Hutchinson Drive, Miramichi, New Brunswick, Canada, E1V 6C7. The Company’s mailing address is 789 West Pender Street, Suite 810, Vancouver, British Columbia, V6C 1H2.

The Company is in the process of exploring its exploration and evaluation properties for mineral resources and has not determined whether these exploration and evaluation properties contain economically recoverable ore reserves. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, preservation of its interests in the underlying properties, the ability of the Company to obtain the necessary financing to complete development, and the achievement of profitable operations. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts written off, and do not necessarily represent present or future values.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and evaluation programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation properties and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. At January 31, 2023, the Company had not yet achieved consistent profitable operations, has an accumulated deficit of $25,044,483 (2022 - $24,813,411) and expects to incur further losses all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

The Company plans to raise additional funds to maintain its capital structure and working capital requirements. There is no assurance that the Company will be successful in its plans to raise additional funds.

2. Basis of preparation

2.1 Statement of Compliance

These audited financial statements of the Company are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and interpretations of the International Financial Reporting Committee ("IFRIC").

2.2 Basis of Measurement

These audited financial statements have been prepared on a historical cost basis, except for certain financial assets which are carried at fair value. In addition, these audited financial statements have been prepared using the accrual basis of accounting except for cash flow information. These audited financial statements are presented in Canadian dollars which is also the Company's functional currency.

2.3 Critical accounting estimates, judgments and assumptions

When preparing the audited financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Further information regarding going concern issues are outlined in Note 1.

Share-based payments and warrants

The estimation of share-based payment costs and warrant values requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the expected volatility of its own shares, the expected life of share options and warrants granted, the estimated number of share options and warrants expected to vest and the expected time of exercise of those stock options and warrants. The model used by the Company is the Black-Scholes option pricing valuation model.

2. Basis of preparation (continued)

2.3 Critical accounting estimates, judgments and assumptions (continued)

Exploration and evaluation assets

Indications of impairment

The assessment of indications of impairment loss and the measuring of the recoverable amount when impairment tests have been done involve judgment. If there is an indication of impairment, an estimate of the recoverable amount of the asset or the cash generating unit is performed and an impairment loss is recognized to the extent that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is determined as the higher of its fair value less costs to sell and its value in use.

The impairment criteria considered by the Company in relation to its exploration and evaluation assets include the following criteria:

(a) the period for which the entity has the right to explore in a specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
(b) substantive expenditures on further exploration for an evaluation of mineral resources in a specific area is neither budgeted nor planned;
(c) exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
(d) sufficient data exists to indicate that, although a development in a 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.

When an indication of impairment loss exists, management has to evaluate the recoverable amount of the asset or the cash-generating unit, and this requires management to make assumptions as to the future events or circumstances.

The actual results are likely to differ and significant adjustments to the Company’s assets may be required.

Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are a source of estimation uncertainty.

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the project. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

2. Basis of preparation (continued)

2.3 Critical accounting estimates, judgments and assumptions (continued)

Environmental

Environmental legislation is becoming increasingly stringent and the costs of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration of the Company's projects, the potential for production on the property may be diminished or negated.

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations, are initially recognized, and recorded as a liability based on estimated future cash flows discounted at a credit-adjusted risk-free rate.

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

3. Significant accounting policies

The significant accounting policies used in the preparation of these audited financial statements are as follows:

3.1 Financial instruments

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income ("OCI"). For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

3. Significant accounting policies (continued)

3.1 Financial instruments (continued)

The following table shows the classifications under IFRS 9:

	Classification under IFRS 9
Cash and marketable securities	FVTPL
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable and lease liability	Amortized cost

Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial liabilities are measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in income. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

<u>Debt instruments</u>
Subsequent measurement of debt instrument depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of loss and comprehensive loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from deficit to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss and comprehensive loss.

3. Significant accounting policies (continued)

3.1 Financial instruments (continued)

Measurement (continued)

- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments
The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in other gains/(losses) in the statement of loss and comprehensive loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

3.2 Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting loss attributable to common equity holders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. Dilutive potential common shares shall be deemed to have been converted into common shares at the beginning of the period or, if later, at the date of issue of the potential common shares.

The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding options and warrants.

3.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

3. Significant accounting policies (continued)

3.4 Equipment and amortization

Equipment is recorded at cost less accumulated amortization. Amortization is calculated using the declining balance method over the estimated useful lives of the equipment at the annual rates specified in Note 7.

3.5 Leases and Right of Use Assets

The Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset that is not owned by the Company for a period of time in exchange for consideration are accounted for as leases giving rise to right of use (ROU) assets.

The ROU assets are initially measured at cost, which comprises the initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs and any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated typically over the lease term and generally on a straight-line basis.

Lease liabilities are initially measured at the present value of the future lease payments discounted using the interest rate implicit in the lease or if that rate cannot be determined, the Company’s incremental borrowing rate. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. Subsequently, the lease liability is measured at amortized cost using the effective interest method, resulting in an interest expense. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

3.6 Exploration and evaluation assets

Exploration and evaluation assets include the cost of acquiring mineral exploration rights and expenses directly related to the exploration and evaluation of properties, net of related government assistance. These assets are recognized as intangible assets and are carried at cost less any impairment loss recognized, refundable tax credits and credits on duties. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

From time-to-time, the Company receives shares and or cash payments from exploration partners pursuant to property option agreements. The carrying value of the exploration and evaluation assets is reduced by option proceeds received until such time as the property cost and deferred exploration expenditures are reduced to nominal amounts, and any excess is included in the statement of loss.

3. Significant accounting policies (continued)

3.6 Exploration and evaluation assets (continued)

Costs incurred before the legal right to undertake exploration and evaluation activities on a project was acquired are recognized in the statement of loss where they are incurred.

Mineral exploration rights and expenses related to exploration and evaluation activities are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of the project. No amortization is recognized during the exploration and evaluation phase. Costs capitalized include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the exploration and evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

Whenever a project is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts; the difference is then immediately recognized in the statement of loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, mineral exploration rights and expenses related to exploration and evaluation activities of the related mineral property are transferred to mining assets under construction.

Upon transfer of exploration and evaluation assets into mining assets under construction, all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalized within mining assets under construction. When the development stage is completed, all assets included in mining assets under construction are then transferred to mining assets and amortized over the expected productive lives of the assets.

3.7 Impairment of non-financial assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is the higher of its fair value less cost to sell and its value in use. To determine the value in use, management estimates expected future cash flows from each asset or cash-generating unit, and then determines an appropriate interest rate for the calculation of the expected present value of the cash flows.

An impairment loss is recognized immediately in the statement of loss and reduces the asset or is charged pro rata on the basis of the carrying amount of each asset in the cash-generating unit. All the assets are assessed whether there is any indication that an impairment loss recognized in prior periods may no longer exist. An impairment charge is reversed if the asset’s or cash-generating unit’s recoverable amount exceeds its carrying amount.

For exploration and evaluation assets, indicators of impairment would include expiration of a right to explore, no budgeted or planned material expenditures in an area, or a decision to discontinue exploration in a specific area.

3. Significant accounting policies (continued)

3.8 Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted when the time value of money is significant.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities arising from present obligations are recognized in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognized, less any amortization.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

3.9 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.10 Taxation

The Company records deferred income tax assets and liabilities determined based on differences between the financial statement carrying values and the income tax bases of assets and liabilities, and are measured using the enacted or substantively enacted income tax rates and laws that are expected to be in effect when the temporary differences are expected to reverse. The effect on deferred income tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets is not probable, no net asset is recognized.

3. Significant accounting policies (continued)

3.11 Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax risk-free interest rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

3.12 Equity

Non flow-through placements

Share capital represents the amount received on the issue of shares, less issuance costs.

Flow-through placements

The issuance of flow-through shares is accounted for similarly to the issuance of a compound financial instrument. The liability component represents the premium paid for the tax benefit to the investors. Proceeds from the issuance of shares by flow-through private placements are allocated between shares issued and a liability account using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to the liability. Upon renunciation of the flow through expenditures, the liability component is derecognized in the statement of loss and a deferred income tax liability is recognized for the taxable temporary difference created at the Company's applicable tax rate which is expected to apply in the year the deferred income tax liability will be settled. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the statement of loss.

Warrants and stock options reserve

Warrants reserve includes charges related to warrants and finders' warrants until such equity instruments are exercised. Stock options reserve includes charges related to stock options granted to directors, employees and consultants until such equity instruments are exercised. The value of warrants and options that expire unexercised is transferred to deficit.

3. Significant accounting policies (continued)

3.12 Equity (continued)

Equity-settled share-based payments

The Company operates equity-settled share-based remuneration plans (share options plans) for its eligible directors, officers, employees and consultants. None of the Company's plans feature any options with cash settlement features.

All goods and services received in exchange for the grant of any share-based payments to non-employees are measured at their estimated fair values. Where employees are rewarded using share-based payments, the fair value of the services rendered by the employees is estimated indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All equity-settled share-based payments are ultimately recognized as an expense in the statement of loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to the stock options reserve, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current year.

Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the stock options recorded in stock options reserve are then transferred to share capital. On expiry, the value of stock options recorded in stock option reserve is transferred to deficit.

3.13 Segment reporting

In accordance with IFRS 8, Operating Segments, it is mandatory for the Company to present and disclose segmented information based on the internal reports that are regularly reviewed by the Executive Chairman and the Board of Directors in order to assess each segment's performance.

The Company has determined that there was only one operating segment: the sector of exploration and evaluation in Canada.

3.14 Joint ventures

A portion of the Company's exploration activities is conducted jointly with others wherein the Company enters into agreements for a specified percentage interest in exploration and evaluation assets. Expenditures on these properties are capitalized to exploration and evaluation assets. Joint venture accounting, which reflects the Company's proportionate interest in exploration and evaluation assets, is applied by the Company only when the parties have earned their respective interests and enter into formal comprehensive agreements for joint control. As at January 31, 2023 and 2022, no such agreements had been entered into.

3. Significant accounting policies (continued)

3.15 Government grants

The Company may receive grants for New Brunswick mineral exploration projects under the New Brunswick Junior Mining Assistance Program ("NBJMAP"). These grants must be spent on approved projects. The Company records these grants when there is reasonable assurance that the Company will comply with the conditions attaching to grants and the grants will be received from the Government of the Province of New Brunswick. Grants are credited against exploration and evaluation costs incurred on approved projects on the statement of financial position.

Recent Accounting Pronouncements

As at the date of authorization of these financial statements, the IASB and the IFRS Interpretations Committee had issued certain pronouncements that are mandatory for the Company's accounting periods commencing on or after February 1, 2023. Many are not applicable or do not have a significant impact to the Company, have been excluded. The Company had assessed that no material impact is expected upon the adoption of the following amendments on its financial statements:

Amendments to IAS 1

In January 2020, the IASB issued amendments to IAS 1 which clarify the requirements for classifying liabilities as either current or non-current by: (i) specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists; (ii) clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services; (iii) clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and (iv) clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on an entity's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa, which could impact an entity's loan covenants. Because of this impact, the IASB has provided a longer effective date to allow entities to prepare for these amendments. In July 2020, the IASB issued an amendment to defer the effective date of the amendments by one year from its originally planned effective date to annual periods beginning on or after January 1, 2023 due to the impact of COVID-19. Early application is permitted.

IAS 12 Income Taxes

In May 2021, the International Accounting Standards Board (IASB) issued amendments to the recognition exemptions under IAS 12 Income Taxes. The amendments narrowed the scope of the recognition exemption to require an entity to recognize deferred tax on initial recognition of particular transactions, to the extent that transaction gives rise to equal taxable and deductible temporary differences. These amendments apply to transactions for which an entity recognized both an asset and liability, for example leases and decommissioning liabilities. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

(Expressed in Canadian dollars)

4. Capital management

The Company considers its capital structure to consist of share capital, share options reserve, and warrants reserve. The Company's objective when managing capital is to maintain adequate levels of funding to support its exploration activities and to maintain corporate and administrative functions necessary to support operational activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The exploration and evaluation assets in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend working capital once it has obtained financing. The Company will continue to assess new exploration and evaluation assets and seek to acquire an interest in additional exploration and evaluation assets if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, and all are held in major Canadian financial institutions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is dependent on the capital markets as its sole source of operating capital. The Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to those markets, and by its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. However, it is subject to any regulations and rules imposed by the Toronto Stock Exchange Venture in issuing and/or maintaining debt or equity financings.

There were no changes in the Company's approach to capital management during the year ended January 31, 2023.

The Company is not subject to externally imposed capital requirements.

5. Marketable securities

At January 31, 2023, the Company held the following investments:

Investee	Shares #	Fair market value $
International Cobalt Corp.	16,666	-
Major Precious Metals Corp.	1,037,000	165,505
Canadian Copper Inc.	13,474	1,078
Puma Exploration Inc.	170,000	39,100
QNB Metals Inc.	500,000	12,500
S2 Minerals Inc.	50,000	6,500
Stratabound Minerals Corp.	700,000	35,000
		259,683

(Expressed in Canadian dollars)

5. Marketable securities (Continued)

At January 31, 2022, the Company held the following investments:

Investee	Shares #	Fair market value $
International Cobalt Corp.	16,666	4,333
Major Precious Metals Corp.	962,000	163,540
		167,873

During the year ended January 31, 2023 and 2022, the Company did not sell any shares of International Cobalt Corp. As at January 31, 2023, the fair market value of the 16,666 (2022 – 16,666) International Cobalt shares was $Nil (2022 - $4,333) resulting in an unrealized loss of $(4,333) (2022 – $(1,667)) for the year ended January 31, 2023.

During the year ended January 31, 2023, the Company received 1,000,000 (2022 – 1,000,000) common shares of Major Precious Metals Corp. ("Major Precious") at a fair value of $80,000 (2022 - $300,000) pursuant to the terminated BMC property option agreement (Note 8). During the year ended January 31, 2023, the Company sold 925,000 (2022 - 591,500) shares of Major Precious for total proceeds of $35,545 (2022 - $269,437) resulting in a realized gain (loss) of $(121,705) (2022 – gain of $67,687). As at January 31, 2023, the fair value of the 1,037,000 (2022 – 962,000) Major Precious shares was $165,505 (2022 - $163,540) resulting in an unrealized gain (loss) of $79,215 (2022 – loss of $(122,900)) for the year ended January 31, 2023.

During the year ended January 31, 2023, the Company received 250,000 common shares of Puma Exploration Inc. ("Puma") at a fair value of $122,500 pursuant to a sale agreement to sell the Ferguson Brook properties to Puma (Note 8). During the year ended January 31, 2023, the Company sold 80,000 shares of Puma for total proceeds of $15,303 resulting in a realized loss of $23,897. As at January 31, 2023, the fair value of the 170,000 Puma shares was $39,100 resulting in an unrealized loss of $44,200 for the year ended January 31, 2023.

During the year ended January 31, 2023, Puma distributed 6,000,000 common shares of Canadian Copper Inc. ("CCI") to its shareholders and the Company received 13,474 common shares of CCI at a fair value of $1,752. As at January 31, 2023, the fair value of the 13,474 CCI shares was $1,078 resulting in an unrealized loss of $674 for the year ended January 31, 2023.

During the year ended January 31, 2023, the Company received 700,000 common shares of Stratabound Minerals Corp. ("Stratabound") at a fair value of $56,000 pursuant to the Ramsay property option agreement with Stratabound (Note 8). As at January 31, 2023, the fair value of the 700,000 Stratabound shares was $35,000 resulting in an unrealized loss of $21,000 for the year ended January 31, 2023.

During the year ended January 31, 2023, the Company received 50,000 common shares of S2 Minerals Inc. ("S2") at a fair value of $4,750 pursuant to the Opikeigen property option agreement with S2 (Note 8). As at January 31, 2023, the fair value of the 50,000 S2 shares was $6,500 resulting in an unrealized gain of $1,750 for the year ended January 31, 2023.

During the year ended January 31, 2023, the Company received 500,000 common shares of QNB Metals Inc. ("QNB") at a fair value of $12,500 pursuant to the Goodwin property option agreement with QNB (Note 8). As at January 31, 2023, the fair value of the 500,000 QNB shares was $12,500 resulting in an unrealized gain of $Nil for the year ended January 31, 2023.

(Expressed in Canadian dollars)

6. Prepaid expenses

	January 31, 2023	January 31, 2022
Insurance	$ 1,011	$ 910
Filing fees	-	602
Other	2,593	3,753
	$ 3,604	$ 5,265

7. Commitment

Issuance of flow-through shares

The Company is partially financed through the issuance of flow-through shares, requiring that the Company spends the proceeds for qualified mining exploration expenses. Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work, subject to penalties if the conditions are not respected. Although the Company is committed to taking all the necessary measures, refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

During the year ended January 31, 2023, the Company received $76,500 (2022 - $589,976) following an issuance of flow-through shares and renounced $76,500 (2022 - $589,976) of its tax deductions relating to flow-through expenditures. As at January 31, 2023, the Company had incurred $21,399 of qualifying expenditures related to flow-through financings of $76,500 and $589,976 of qualifying expenditures related to flow-through financings of $589,976.

(Expressed in Canadian dollars)

8. Exploration and evaluation assets

	January 31, 2023				Jan. 31, 2022
	Expenditures for the year	Impairment of exploration and evaluation assets for the year	Grant and recovery of expenses for the year	Cumulative since inception net of impairment	Cumulative since Inception net of impairment
New Brunswick					
Benjamin REE	**$ 12,940**	**$ (36,940)**	**$ -**	**$ -**	$ 24,000
Birch Lake	**1,678**	**(58,741)**	**-**	**-**	57,063
Cumberland	**720**	**(721)**	**-**	**-**	1
Eighteen Mile Brook	**2,336**	**(4,436)**	**-**	**-**	2,100
Ferguson Brook	**860**	**-**	**(2,960)**	**-**	2,100
Gold Brook	**3,021**	**(11,259)**	**-**	**-**	8,238
McNair	**-**	**(1,620)**	**-**	**-**	1,620
Menneval	**150,160**	**-**	**(30,000)**	**743,449**	623,289
Flume Ridge Gold	**14,647**	**(35,682)**	**-**	**-**	21,035
Jake Lee	**154,314**	**-**	**(9,150)**	**201,325**	56,161
Mt. Blair	**15,507**	**-**	**-**	**17,847**	2,340
Mt. Victor	**990**	**-**	**-**	**54,798**	53,808
Patapedia	**10,305**	**-**	**-**	**68,663**	58,358
Portage	**45,149**	**-**	**(3,960)**	**41,189**	-
Shingle Gulch	**-**	**(2,094)**	**-**	**-**	2,094
Stephenson Lake	**-**	**(13,457)**	**-**	**-**	13,457
Wilson Brook	**1,342**	**(114,733)**	**-**	**-**	113,391
York Gold	**-**	**(20,224)**	**-**	**-**	20,224
Roger Lake	**14,000**	**-**	**-**	**14,000**	-
Other New Brunswick properties*	**61,951**	**(6,358)**	**(52,895)**	**15,875**	13,177
Nova Scotia					
Mount Uniacke	**-**	**(1)**	**-**	**-**	1
Ontario					
Other Ontario Properties**	**800**	**(802)**	**-**	**-**	2
	$ 490,720	**$ (307,068)**	**$ (98,965)**	**1,157,146**	$1,072,459

*Other New Brunswick Properties – O'Hearn, Ramsay Brook, Clarks Lake REE, Rogers Brook, Goodwin and Lower 44.
**Ontario Properties – Keezhik and Miminiska.

	January 31, 2023	January 31, 2022
Beginning balance	**$ 1,072,459**	$ 577,752
Expenditures	**490,720**	606,453
Impairment of exploration and evaluation assets	**(307,068)**	(41,390)
Grant and recovery of expenses	**(98,965)**	(70,356)
Ending balance	**$ 1,157,146**	$ 1,072,459

(Expressed in Canadian dollars)

8. Exploration and evaluation assets (continued)

BMC Properties

On February 22, 2019, the Company entered into an option agreement with Major Precious Metals Corp. ("Major Precious") that set the terms for purchase of the BMC Properties by Major Precious consisting of 35 mineral claims, including Goodwin, O'Hearn-Strachens, California Lake, Lower 44, LBM, North Rim, Portage, Satellite, Nine Mile (see "other New Brunswick Properties"), and Red Pine. Major Precious could have earned a 100% interest in the remaining BMC Properties by completing a total of $700,000 in cash and 5,000,000 in share payments over a four-year period. The Company retained a 2% NSR royalty.

	Common Shares		Cash Payments
Upon signing (cash paid)		$	10,000*
Upon CSE approval (cash paid)	500,000*	$	10,000*
On or before six months after CSE approval	500,000*	$	80,000**
On or before first anniversary	1,000,000*	$	100,000**
On or before second anniversary	1,000,000*	$	100,000**
On or before third anniversary	1,000,000*	$	200,000**
On or before fourth anniversary	1,000,000	$	200,000
TOTAL	**5,000,000**	**$**	**700,000**

***payments received**
****deferred to April 28, 2022**

During the year ended January 31, 2023, the Company received 1,000,000 (2022 - 1,000,000) common shares of Major Precious valued at a fair value of $80,000 (2022 - $300,000) pursuant to the terminated BMC property option agreement. As a result of receiving the 1,000,000 (2022 - 1,000,000) Major Precious shares, the Company recovered $39,322 (2022 - $3,706) of BMC exploration and evaluation costs. The recoveries were comprised of $32,208 for Goodwin, $3,154 for Lower 44, and $3,960 (2022 - $3,706) for Portage. The Company recognized $40,678 (2022 - $296,294) in property option revenue upon receipt of the Major Precious common shares in the current period.

On April 28, 2022, the option agreement with Major Precious was terminated as a result of default of cash payments.

(Expressed in Canadian dollars)

8. Exploration and evaluation assets (continued)

Ferguson Brook Properties

On March 2, 2022, the Company signed a sale agreement to sell its Ferguson Brook property to Puma Exploration Inc. (“Puma”). The Company transferred a 100% interest in the Ferguson Brook property to Puma upon receipt of $15,000 cash and 250,000 common shares of Puma with a fair value of $122,500. Puma is also obligated to make additional performance cash payments totaling $175,000, subject to the royalty. As a result of the sale, the Company recovered $2,960 of exploration and evaluation costs related to the Ferguson Brook property, thereby realizing a $134,540 in property option revenue.

Puma would make the following payments to the Company:

	Common Shares	Cash Payments
Upon receipt of TSXV approval of the Agreement (received)	250,000	$ 15,000
Upon a Positive Preliminary Economic Assessment	-	$ 25,000
Upon a Positive Feasibility Study	-	$ 50,000
Upon reaching Commercial Production	-	$ 100,000
TOTAL	**250,000**	**$ 190,000**

The Agreement defines the Ferguson Brook mineral claim as 2 properties. Property A comprises 35 claim units that the Company acquired by staking. Property B comprises a 7-unit portion of the Property that the Company acquired through an “Underlying Agreement” with a third party. The Company retains a 2% net smelter return (“NSR”) royalty on any saleable production from Property A. Fifty percent of the NSR royalty (i.e.,1%) may be purchased by Puma for $1,000,000. Puma retains a right of first refusal on the remaining 1% NSR royalty that is held by the Company.

The Company will retain a 1% net smelter return (“NSR”) royalty on any saleable production from Property B. Fifty percent of the NSR royalty (i.e., 0.50%) on Property B may be purchased by Puma for $500,000. Puma retains a right of first refusal on the remaining 0.50% NSR royalty that is held by the Company.

Flume Ridge Gold Property

The Flume Ridge Gold Property is located in southern New Brunswick and is not subject to any NSR’s.

Jake Lee Gold Property

The Jake Lee Gold property is located in southern New Brunswick and is not subject to any NSR’s.

(Expressed in Canadian dollars)

8. Exploration and evaluation assets (continued)

Menneval Gold Project

Menneval Gold property is located in northwestern New Brunswick.

The New Brunswick Junior Mining Assistance Program ("NBJMAP") approved a $30,000 (2022 - $20,000) grant on the Menneval project drill program, of which $12,000 (2022 - $8,000) had been received at January 31, 2023. The remaining $18,000 (2022 - $12,000) is included in amounts receivable at January 31, 2023, which was received in February, 2023 (2022 - March, 2022).

Mt. Blair Property

The Mt. Blair property is located in southern New Brunswick and is not subject to any NSR's.

Mt. Victor Property

The Mt. Victor property is located in southern New Brunswick and is not subject to any NSR's.

Patapedia Property

On September 8, 2020, the Company entered into a property option agreement to acquire a 100% undivided interest in the Patapedia property ("Patapedia") located near Kedgwick, New Brunswick.

In order to earn its 100% interest in the Patapedia property, the Company will issue 300,000 common shares of the Company and pay $20,000 cash in accordance with the following schedule:

	Common Shares		Cash Payments
Upon signing (paid)	-	$	5,000
Upon TSX Venture Exchange approval (issued)	50,000	$	-
On or before September 8, 2021 (issued and paid)	50,000	$	5,000
On or before September 8, 2022 & Extended to February 6, 2023 (issued and paid on February 6, 2023)	100,000	$	5,000
On or before September 8, 2023	100,000	$	5,000
TOTAL	**300,000**	**$**	**20,000**

During the year ended January 31, 2023, the Company paid $Nil cash (2022 - $5,000) and issued Nil common shares of the Company (2022 – 50,000) valued at a fair value of $Nil (2022 - $5,000) pursuant to the Patapedia property option agreement as the requirements due by September 8, 2022 were extended to February 6, 2023. Subsequently, 100,000 common shares of the Company were issued and $5,000 cash was paid to the optionor on February 6, 2023.

The optionor retained a royalty of 1.5% Net Smelter Return on 39 claim units. The Company can buy back two-thirds of the royalty equal to 1% NSR for $1,000,000 at any time.

(Expressed in Canadian dollars)

8. Exploration and evaluation assets (continued)

Other New Brunswick Properties

Ramsay property

On March 29, 2022, the Company entered into an option agreement with Stratabound Minerals Corp. ("Stratabound") that set the terms for the sale of the Ramsay property to Stratabound. Stratabound can earn 100% interest in the Ramsay property by completing a total of $470,000 in cash and issuing 700,000 common shares of Stratabound to the Company.

During the year ended January 31, 2023, the Company received $40,000 cash (2022 - $Nil) and 700,000 common shares of Stratabound (2022 – Nil) valued at a fair value of $56,000 (2022 - $Nil).

During the year ended January 31, 2023, the Company recovered $16,527 of exploration and evaluation costs related to the Ramsay property, thereby recognizing a $79,473 in property option revenue .

	Common Shares		Cash Payments*
Upon signing of the Agreement (received)	700,000	$	40,000
On or before first anniversary (received $40,000 in cash and 673,809 common shares of Stratabound in March, 2023)	-	$	80,000
On or before second anniversary	-	$	100,000
On or before third anniversary	-	$	120,000
On or before fourth anniversary	-	$	130,000
TOTAL	**700,000**	**$**	**470,000**

*Stratabound has the right at its discretion to provide up to 50% of any of the above cash payments except the initial $40,000 payment, to be made by way of the issuance of common shares of Stratabound.

The Company also is to receive the following performance payments:

(a) $25,000 cash due upon a Positive Preliminary Economic Assessment;
(b) $50,000 cash due upon a Positive Feasibility Study; and
(c) $100,000 one-time cash payment due upon reaching Commercial Production.

The Agreement defines the Ramsay claims as 2 properties A and B. The Company retains a 2% net smelter return ("NSR") royalty on any saleable production from Property A. Property A consists of 5 claims comprising 110 claim units covering 2,392 hectares that the Company acquired by staking.

Property B consists of 2 claims comprising 12 units that the Company acquired through an "Underlying Agreement" with a third party. The Company will retain a 1% net smelter return ("NSR") royalty on any saleable production from Property B.

1% of the NSR royalties on Properties A and B (being 100% of 1% NSR on Property B and 50% of 2% NSR on Property A) may be purchased by Stratabound for $1,000,000. Stratabound retains a right of first refusal on the remaining 1% NSR royalty that is held by the Company.

(Expressed in Canadian dollars)

8. Exploration and evaluation assets (continued)

Ramsay, Rogers Brook, and Murray Brook properties

On April 8, 2022, the Company issued 200,000 common shares of the Company at a fair value of $10,000 to acquire the three mineral tenures known respectively as the Ramsay, Rogers Brook and Murray Brook claims located near Route 180 in New Brunswick. The property is subject to a 2% net smelter return ("NSR") royalty on any saleable production from the claims. Fifty percent of the NSR royalty (i.e.,1%) may be purchased by the Company for $1,000,000. The Company retains a right of first refusal on the remaining 1% NSR royalty.

Goodwin Lake property

On January 20, 2023, the Company entered into a mineral property option agreement with QNB Metals Inc. ("QNB") whereby the Company agreed to grant an option to QNB to acquire a 100% interest in the claims known as the Goodwin Lake properties (the "Property").

QNB can earn a 100% interest in the Goodwin Lake Property through the following payments:

	Common Shares		Cash Payments
Upon signing of the Agreement (received)	500,000	$	-
On or before first anniversary	400,000	$	30,000
On or before second anniversary	400,000	$	40,000
On or before third anniversary	400,000	$	80,000
On or before fourth anniversary	700,000	$	100,000
TOTAL	2,400,000	$	250,000

The Company will retain a 2% net smelter return royalty ("NSR") on the Property. Fifty percent of the NSR may be purchased by QNB for $1,000,000.

During the year ended January 31, 2023, the Company received 500,000 common shares of QNB valued at a fair value of $12,500.

During the year ended January 31, 2023, the Company recovered $1,006 of exploration and evaluation costs related to the Goodwin Lake property, thereby recognizing a $11,494 in property option revenue .

(Expressed in Canadian dollars)

8. Exploration and evaluation assets (continued)

Roger Lake property

On November 2, 2022, the Company entered into an option agreement to acquire an undivided 100% interest in 125 units in the Rogers Lake Property located near Lepreau, New Brunswick.

To acquire 100% of the rights, title and interest in Rogers Lake property, the Company has agreed to the following cash and share payment schedule:

	Common Shares		Cash Payments
Upon signing (paid)		$	10,000
Upon receipt of approval from the TSX-V (issued)	100,000	$	-
On or before first anniversary	200,000	$	15,000
On or before second anniversary	200,000	$	25,000
On or before third anniversary	200,000	$	50,000
On or before fourth anniversary	300,000	$	100,000
TOTAL	**1,000,000**	**$**	**200,000**

The Optionor shall retain a royalty equal to 2% of the NSR and the Company has the right to buy back one-half of the royalty equal to 1% NSR for one million dollars at any time and the further right to buy back the remaining royalty equal to 1% NSR for $2,000,000 dollars at any time.

During the year ended January 31, 2023, the Company paid $10,000 cash and issued 100,000 common shares of the Company at a fair value of $4,000 pursuant to the Roger Lake property option agreement.

Ontario Properties

Opikeigen and Reserve Creek properties

On December 17, 2021, the Company entered into an option agreement with Alex Carpenter (and later assigned to S2 Minerals Inc. on December 16, 2022) ("S2" or the "Optionee") that sets the terms for purchase of Opikeigen and Reserve Creek properties (the "Properties") in Ontario by S2. S2 can earn 100% interest in the Properties by completing a total of $1,000,000 in cash and 200,000 in share payments over a 4 year period. The Company retains a 2% NSR royalty. S2 can buy back 1% of the royalty for $1,000,000.

	Common Shares		Cash Payments
Upon signing (received)		$	50,000
On or before first anniversary (received)	50,000	$	100,000
On or before second anniversary	50,000	$	150,000
On or before third anniversary	50,000	$	200,000
On or before fourth anniversary	50,000	$	500,000
TOTAL	**200,000**	**$**	**1,000,000**

During the year ended January 31, 2023, the Company received $100,000 cash (2022 - $50,000) and 50,000 common shares of S2 (2022 – Nil) valued at a fair value of $4,750 (2022 - $Nil).

(Expressed in Canadian dollars)

8. Exploration and evaluation assets (continued)

Opikeigen and Reserve Creek properties (continued)

During the year ended January 31, 2023, the Company recovered $Nil (2022 - $2,950) of exploration and evaluation costs related to the Opikeigen and Reserve Creek properties, thereby recognizing a $104,750 (2022 - $47,050) in property option revenue .

9. Right of use asset and lease liability

On April 23, 2021, the Company entered into a four-year lease agreement for a Ford truck with a monthly payment of $865. The Company recognized its right-of-use asset and lease liability for the lease based on the present value of future minimum lease payments. The present value of minimum lease payments were calculated using the interest rate implicit in the leases.

Set out below are the carrying amounts of the right of use asset and lease liability recognized and the movements during the year ended January 31, 2023:

	Right of use asset $	Lease liability $
As at January 31, 2021	-	-
Additions	37,257	37,257
Accretion	-	1,459
Depreciation	(7,762)	-
Payments	-	(8,651)
As at January 31, 2022	29,495	30,065
Accretion	-	1,488
Depreciation	(9,314)	-
Payments	-	(10,383)
As at January 31, 2023	20,181	21,170
Current	-	9,436
Non-current	-	11,734

The following table shows future minimum lease payments of the Company's financial liabilities based on contractual undiscounted payments as at January 31, 2023:

	$
2024	10,383
2025	10,383
2026	1,730
	22,496

10. Short-term loan payable

During the year ended January 31, 2021, the Company obtained a Canada Emergency Business Account (the "CEBA") loan in the amount of $30,000. The Company received additional CEBA loans of $30,000 during the year ended January 31, 2022. The total $60,000 CEBA loan was received from the Royal Bank of Canada and is guaranteed by the Canadian government. The loan was non-interest bearing until December 31, 2022 and repayment of the loan prior to December 31, 2022 would result in loan forgiveness of up to $20,000 of the loan. After January 1, 2023, the loan might be converted into a loan with a fixed annual interest rate of 5% until December 31, 2025.

The first $30,000 of the CEBA loan received in fiscal 2021 was initially fair valued using a discount rate of 12% and was measured at $22,324 with difference of $7,676 being recognized as government grant on the statements of loss during the year ended January 31, 2021. The accretion expense of $1,920 was recorded on the first $30,000 of the CEBA loan during the year ended January 31, 2021.

During the year ended January 31, 2022, the Company received the remaining $30,000 of the CEBA loan. The second portion of the CEBA loan was initially fair valued using a discount rate of 12% and was measured at $24,391 with the difference of $5,609 being recognized as government grant on the statements of loss during the year ended January 31, 2022.

During the year ended January 31, 2023, the repayment deadline for the CEBA loans to qualify for partial loan forgiveness was extended to December 31, 2023. As a result, repayment of the CEBA loans prior to December 31, 2023 will result in loan forgiveness of up to $20,000 of the loans. After January 1, 2024, the loans will be converted into a loan with a fixed annual interest rate of 5% until December 31, 2025.

The accretion expense of $5,503 (2022 - $5,862) was recorded on the $60,000 total of the CEBA loan during the year ended January 31, 2023.

11. Shares, warrants and options

Authorized:

Unlimited number of common shares without nominal or par value.

Issued and outstanding:

The following shares were issued during the year ended January 31, 2023:

Shares issued for mineral properties

On April 8, 2022, the Company issued 200,000 common shares of the Company valued at a fair value of $10,000 to acquire the Ramsay, Rogers Brook and Murray Brook properties (Note 8).

On November 17, 2022, the Company issued 100,000 common shares of the Company valued at a fair value of $4,000 to acquire the Roger Lake property. (Note 8).

11. Shares, warrants and options (Continued)

Completed flow-through private placements

On December 20, 2022, the Company completed a private placement of 1,530,000 flow-through units (the "FT Units") at $0.05 per FT Unit for gross proceeds of $76,500. Each FT Unit is comprised of one common share and one-half share purchase warrant issued on a non-flow through basis (each whole common share purchase warrant, a "warrant"). Each warrant is exercisable at $0.05 per share until December 20, 2024. The fair value of $45,900 for the common shares was allocated to share capital and $12,897 was allocated to the warrants and recorded in warrants reserve. The estimated $12,897 fair value of the warrants was measured using the Black-Scholes Pricing Model with the following assumptions: share price $0.03; exercise price - $0.05; expected life – 2 years; volatility – 130.25%; dividend yield - $0; and risk-free-rate – 3.73%. The Company recognized a flow-through premium of $17,703 with respect to this flow-through financing.

The following shares were issued during the year ended January 31, 2022:

Completed flow-through private placements

On July 15, 2021, the Company completed a private placement of 3,299,731 flow-through units (the "FT Units") at $0.09 per FT Unit for gross proceeds of $296,976. Each FT Unit is comprised of one common share and one-half share purchase warrant issued on a non-flow through basis (each whole common share purchase warrant, a "warrant"). Each warrant is exercisable at $0.10 per share until July 15, 2023. The fair value of $174,061 for the common shares was allocated to share capital and the remaining $122,915 for the warrants was recorded in warrants reserve. The estimated $122,915 fair value of the warrants was measured using the Black-Scholes Pricing Model with the following assumptions: share price $0.09; exercise price - $0.10; expected life – 2 years; volatility – 196.74%; dividend yield - $0; and risk-free-rate – 0.44%. No flow-through premium was recognized for this flow-through financing.

The Company paid $10,567 cash, issued 53,150 finder's shares valued at $4,784, and issued 53,150 finder's warrants valued at $3,960 in relation to the completed flow-through private placement. The estimated fair value of the finder's warrants of $3,960 was measured using the Black-Scholes Pricing Model with the following assumptions: share price $0.09; exercise price - $0.10; expected life - 2 years; volatility – 196.74%; dividend yield - $0; and risk-free rate – 0.44%.

On December 31, 2021, the Company completed a private placement of 5,327,272 flow-through units (the "FT Units") at $0.055 per FT Unit for gross proceeds of $293,000. Each FT Unit was comprised of one common share and one-half share purchase warrant issued on a non-flow through basis (each whole common share purchase warrant, a "warrant"). Each warrant is exercisable at $0.10 per share until December 31, 2023. The fair value of $178,604 for the common shares was allocated to share capital and the remaining $114,396 for the warrants was recorded in warrants reserve. The estimated $114,396 fair value of the warrants was measured using the Black-Scholes Option Pricing Model with the following assumptions: share price $0.06; exercise price - $0.10; expected life – 2 years; volatility – 171.61%; dividend yield - $0; and risk-free-rate – 0.95%. No flow-through premium was recognized for this flow-through financing.

The Company paid $30,450 cash, issued 231,364 finder's shares valued at $13,882, and issued 231,364 finder's warrants valued at $9,936 in relation to the completed flow-through private placement. The estimated fair value of the finder's warrants of $9,936 was measured using the Black-Scholes Option Pricing Model with the following assumptions: share price $0.06; exercise price - $0.10; expected life - 2 years; volatility – 171.61%; dividend yield - $0; and risk-free rate – 0.95%.

(Expressed in Canadian dollars)

11. Shares, warrants and options (Continued)

Shares issued for mineral properties

On April 27, 2021, the Company issued 70,000 common shares of the Company valued at a fair value of $4,200 to acquire the Eighteen Mile and Ferguson Brook properties.

On September 8, 2021, the Company paid $5,000 cash and issued 50,000 common shares valued at a fair value of $5,000 pursuant to the Patapedia property option agreement.

Exercised warrants

On November 12, 2021, the Company received $20,000 from the exercise of 250,000 warrants exercisable at $0.08 per share until August 11, 2022.

During the year ended January 31, 2022, the Company transferred the $16,512 fair value of the 250,000 exercised warrants from warrants reserve to share capital.

Warrants:

As at January 31, 2023, outstanding warrants and finders' warrants to purchase common shares were as follows:

Value of Warrants		Number of Warrants	Date of Grant	Expiration Date	Exercise Price
$	124,178	1,880,168	August 11, 2020	August 11, 2024	$0.08
	3,959	53,150*	July 15, 2021	July 15, 2023	$0.10
	122,915	1,649,868	July 15, 2021	July 15, 2023	$0.10
	114,396	2,663,636	December 31, 2021	December 31, 2023	$0.10
	9,937	231,364*	December 31, 2021	December 31, 2023	$0.10
	12,897	765,000	December 20, 2022	December 20, 2024	$0.05
$	388,282	7,243,186			

*Denotes finder's warrants

Warrants	Year Ended January 31, 2023 Warrants		Weighted Average Exercise Price	Year Ended January 31, 2022 Warrants		Weighted Average Exercise Price
Outstanding, opening balance	**6,563,686**	**$**	**0.09**	2,215,668	$	0.08
Issued	**765,000**		**0.05**	4,598,018		0.10
Exercised	**-**		**-**	(250,000)		0.08
Expired	**(85,500)**		**(0.08)**	-		-
Outstanding, ending balance	**7,243,186**	**$**	**0.09**	6,563,686	$	0.09

During the year ended January 31, 2023, the Company transferred $5,647 (2022 - $Nil) fair value of 85,500 (2022 - $Nil) expired warrants from warrants reserve to the deficit.

(Expressed in Canadian dollars)

11. Shares, warrants and options (Continued)

Options:

Options issued under this plan to directors, consultants and employees vest upon issuance whereas options issued to investor relation consultants vest as to 25% at issuance, and 25% every three months thereafter. The grant date fair values of the options are charged to share-based compensation expense and exploration and evaluation assets over the vesting period.

The table below lists the outstanding options to purchase common shares as at January 31, 2023:

Value	Options Outstanding	Date of Grant	Expiration Date	Exercise Price
$ 7,392	250,000	March 23, 2018	March 23, 2023*	$0.05
42,664	580,000	August 11, 2020	August 11, 2025	$0.075
134,815	1,700,000	September 3, 2021	September 3, 2026	$0.085
$ 184,871	2,530,000			

*Expired subsequent to the year-ended January 31, 2023.

Options	**Year Ended January 31, 2023**		Year Ended January 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, opening balance	**3,180,000**	**$ 0.08**	1,670,000	$ 0.06
Granted	**-**	**-**	2,000,000	0.085
Expired/forfeited	**(650,000)**	**(0.07)**	(490,000)	0.06
Outstanding, ending balance	**2,530,000**	**$ 0.08**	3,180,000	$ 0.08
Exercisable	**2,530,000**	**$ 0.08**	3,180,000	$ 0.08

Granted stock options

During the year ended January 31, 2022, the Company granted 2,000,000 share options to directors, officers, employees, and consultants of the Company. Each option is exercisable at $0.085 per share until September 3, 2026. All of the options vested upon date of grant. The estimated fair value of the options was $158,606 of which $134,815 was allocated as share-based compensation and $23,791 was capitalized to exploration and evaluation assets. The fair value of the options was measured using the Black-Scholes Option Pricing Model with the following assumptions: share price $0.085; exercise price - $0.085; expected life - 5 years; volatility – 163.03%; dividend yield - $0; and risk-free rate – 0.78%. No stock option was granted during the year-ended January 31, 2023. The weighted average remaining contractual life of the options outstanding at January 31, 2023 is 3.01 years (2022 - 3.84 years).

(Expressed in Canadian dollars)

11. Shares, warrants and options (Continued)

Expired and forfeited stock options

During the year ended January 31, 2023, 650,000 (2022 – 490,000) stock options exercisable at $0.05~$0.085 per share expired or forfeited unexercised. The Company transferred the $43,717 (2022 - $29,688) fair value of the 650,000 (2022 – 490,000) expired and forfeited stock options from share option reserves to the deficit.

12. Contingencies

Environmental contingencies

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures necessary to comply with such laws and regulations. The properties the Company holds interest in are currently in the initial exploration stages and it has not determined whether significant restoration, rehabilitation and environmental costs will be required. The Company would only record liabilities for restoration, rehabilitation and environmental costs when reasonably determinable and when such costs can be reliably quantified. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

13. Related party transactions

The remuneration of directors and key management personnel during the year ended January 31, 2023, and 2022 were as follows:

	2023	2022
Short-term benefits	**$ 161,500**	**$ 165,988**
Share-based compensation	**-**	**95,164**
	$ 161,500	**$ 261,152**

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

Included in trade payables and accrued liabilities as at January 31, 2023, was $452,064 (2022 - $372,826) due to a director of the Company and a private company in which a director of the Company controls.

14. Supplemental information with respect to cash flows

	January 31, 2023 $	**January 31, 2022 $**
Interest paid	**-**	**-**
Income tax paid	**-**	**-**

During the year ended January 3, 2023, the Company received 2,513,474 (2022 – 1,000,000) shares of the optionees valued at $277,502 (2022 - $300,000) pursuant to mineral property option-out agreements. (Note 8)

During the year ended January 3, 2023, the Company issued 300,000 (2022 – 120,000) shares of the Company to the optionors valued at $14,000 (2022 - $9,200) pursuant to mineral property option-in agreements. (Note 8)

(Expressed in Canadian dollars)

15. Income taxes

The income taxes shown in the Statements of Loss and Comprehensive Loss differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	2023	2022
Statutory tax rate	29%	29%
Income (loss) before income taxes	$ (298,139)	$ (35,940)
Expected income tax (recovery)	(86,460)	(10,423)
Increase (decrease) in income tax recovery resulting from:		
Items deductible and not deductible for income tax purposes	23,764	(129,708)
Flow-through premium	(17,703)	-
Renunciation of flow-through shares	22,185	171,093
Current and prior tax attributes not recognized	40,511	(30,962)
Deferred income tax recovery	$ (17,703)	$ -

Details of deferred tax assets are as follows:

	2023	2022
Non-capital and capital losses	$ 1,400,583	$ 1,420,780
Resource expenditures	449,254	381,032
Share issuance costs, equipment and others	59,278	66,791
	1,909,115	1,868,603
Less: Unrecognized deferred tax assets	(1,909,115)	(1,868,603)
	$ -	$ -

The Company has approximately $4,500,000 of non-capital losses available, which begin to expire in 2027 through to 2043 and may be applied against future taxable income. The Company also has approximately $574,000 of capital losses that may be carried forward and applied against future capital gains. In addition, the Company has approximately $2,700,000 of exploration and development costs which are available for deduction against future income for tax purposes. At January 31, 2023, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

16. Financial instruments

16.1 Fair value of financial instruments:

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash and cash equivalents, amounts receivable, sales tax receivable, and trade payables and accrued liabilities approximate fair market value because of the limited term of these instruments. Cash and cash equivalents are carried at fair value. Short-term loan payable and lease liability are carried at their amortized cost.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

At January 31, 2023 and 2022, the Company's financial instruments that are carried at fair value, consisting of cash and cash equivalents, and marketable securities, have been classified as Level 1 within the fair value hierarchy.

16.2 Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures during the year ended January 31, 2023.

(i) Credit Risk

The Company's credit risk is primarily attributable to cash and equivalents, and marketable securities. Cash and cash equivalents are held with reputable Canadian financial institutions, from which management believes the risk of loss to be minimal. All transactions executed by the Company in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Receivables are assessed to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. The Company considers that there is evidence of impairment if any of the following indicators are present: 1. Significant financial difficulties of the debtor, 2. Probability that the debtor will enter bankruptcy or financial reorganization, and 3. Default in payments. The debtor was never in default in payments in past and in a case of default, the Company has a right to re-acquire a 100% interest in the sold properties provided that the Company delivers a written notice of default to the debtor and the debtor does not remedy the default within 30 days of delivery of the notice of default. Management believes that the credit risk concentration with respect to financial instruments above is remote.

(ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2023, the Company had a cash and cash equivalents balance of $164,102 (2022 - $444,679) to settle current liabilities of $570,325 (2022 - $490,774). The Company's ability to continue operations and fund its exploration property expenditures is dependent on management's ability to secure additional financing. Management is continuing to pursue various financing initiatives in order to provide sufficient cash flow to finance operations as well as to fund its exploration expenditures.

16.2 Financial risk factors (Continued)

(iii) Interest rate risk

The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company closely monitors interest rates to determine the appropriate course of action to be taken by the Company.

(iv) Commodity price risk

The Company is exposed to commodity price risk. Commodity price risk is defined as the potential impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. The Company's future profitability and viability of exploration depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of commodities are produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also result in the Company reducing its mineral resources, which could have a material and adverse effect on the Company's value.

The Company is not a commodity producer as of January 31, 2023. Therefore, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of share options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(v) Market risk

Market risk is the risk that a change in market prices, interest rate levels, indices, liquidity and other market factors will result in losses. The Company is exposed to market risk as a result of its available for sale investments.

(vi) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

16.3 Sensitivity analysis

The Company has designated its cash and cash equivalents, and marketable securities as FVTPL, which are measured at fair value. Receivables are classified as loans and receivables, which are measured at amortized cost. Payables and accruals, short-term loan payable and lease liability are classified as other financial liabilities, which are measured at amortized cost. As at January 31, 2023, the carrying and fair value amounts of the Company's current financial assets are approximately the same.

During the year ended January 31, 2023, the Company did not have any significant interest income or expenses nor any foreign exchange gain or loss. A 10% change in either the interest rate or the exchange rate would not significantly affect the Company.

(Expressed in Canadian dollars)

17 Subsequent Events

Wedge property

On February 9, 2023, the Company entered into a Mineral Property Option Agreement ("Option Agreement") with Nine Mile Metals Ltd. ("Nine Mile"), whereby Nine Mile can acquire a 100% interest in the Wedge Property, located in New Brunswick.

Nine Mile can earn a 100% interest in the Wedge Property through the following payments:

	Common Shares	Cash Payments
Upon signing of the Agreement (received subsequent to Jan. 31 2023)	100,000	$ 10,000
On or before first anniversary	200,000	$ 20,000
On or before second anniversary	200,000	$ 30,000
On or before third anniversary	300,000	$ 40,000
On or before fourth anniversary	400,000	$ 50,000
TOTAL	1,200,000	$ 150,000

The Company will retain a 2% net smelter return royalty ("NSR") on the Property. Fifty percent of the NSR may be purchased by Nine Mile for $1,000,000.

Shadow Lake Gold property

On May 9, 2023, the Company entered into an option agreement to acquire an undivided 100% interest in the Shadow Lake Gold Property located near Lepreau, New Brunswick.

To acquire 100% of the rights, title and interest in Shadow Lake Gold property, the Company has agreed to the following cash and share payment schedule:

	Common Shares	Cash Payments
Upon signing		$ 15,000
Upon receipt of approval from the TSX-V	100,000	$ -
On or before first anniversary	200,000	$ 35,000
On or before second anniversary	300,000	$ 45,000
On or before third anniversary	400,000	$ 50,000
On or before fourth anniversary	500,000	$ 100,000
TOTAL	**1,500,000**	**$ 245,000**

The Optionor shall retain a royalty equal to 2% of the NSR and the Company has the right to buy back one-half of the royalty equal to 1% NSR for one million dollars at any time and the further right to buy back the remaining royalty equal to 1% NSR for $2,000,000 dollars at any time.

A Private Placement

On May 4, 2023, the Company completed a private placement of 6,055,000 units (the "Units") at $0.05 per Unit Each Unit was comprised of one common share and one share purchase warrant. Each warrant is exercisable at $0.08 per share until May 4, 2025.