For the Three Months Ended May 31, 2024

# Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

- Notice of No Auditor Review of the Condensed Interim Consolidated Financial Statement
- Condensed Interim Consolidated Statements of Financial Position
- Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
- Condensed Interim Consolidated Statements of Comprehensive Loss
- Condensed Interim Consolidated Statements of Cash Flows
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**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

# Great Atlantic Resources Corp.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

| | Note | May 31, 2024 $ | February 29, 2024 $ |
|---|---|---|---|
| **ASSETS** | | | |
| CURRENT | | | |
| Cash | | 812 | 1,459 |
| Accounts Receivable | | 37,663 | 37,663 |
| GST Recoverable | | 82,178 | 32,455 |
| Government Exploration Grant Receivable | | - | 124 |
| Marketable Securities | 5 | 3,772 | 3,062 |
| | | 124,425 | 74,763 |
| Right-of-Use Lease Assets | 6 | 307,036 | 328,429 |
| Property and Equipment | 7 | 15,453 | 19,318 |
| | | 446,914 | 422,510 |
| **LIABILITIES** | | | |
| CURRENT | | | |
| Accounts Payable and Accrued Liabilities | | 1,194,351 | 1,068,724 |
| Loan Payable | 10 | 115,316 | 109,196 |
| Lease Liabilities | 6 | 87,654 | 88,261 |
| Due to Related Parties | 11 | 1,163,412 | 915,126 |
| | | 2,560,733 | 2,181,307 |
| Lease Liabilities | 6 | 215,832 | 238,024 |
| | | 2,776,565 | 2,419,331 |
| **SHAREHOLDERS' EQUITY** | | | |
| Share Capital | 9 | 26,683,258 | 26,625,407 |
| Share Subscription Received | | 237,600 | 142,500 |
| Share-Based Payment Reserve | | 804,123 | 806,974 |
| Deficit | | (30,054,632) | (29,571,702) |
| | | (2,329,651) | (1,996,821) |
| | | 446,914 | 422,510 |

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Commitments (Note 12)
Subsequent Events (Note 16)

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

Approved on Behalf of the Board:

| **"Allan Beaton"** | **"Christopher Anderson"** |
|---|---|
| Allan Beaton, Director | Christopher Anderson, Director |

# Great Atlantic Resources Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)
(Unaudited)

| | Note | Number of Common Shares | Share Capital | Share Subscription Received | Share-Based Payment Reserve | Deficit | Total Shareholders' Equity (Deficiency) |
|---|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ | $ |
| **Balance, February 28, 2023** | | 50,125,666 | 26,625,407 | 100,500 | 1,060,938 | (27,135,067) | 651,778 |
| Share Subscription Received | | - | - | 42,000 | - | - | 42,000 |
| Fair Value of Options Expired | 9(c) | - | - | - | (116,546) | 116,546 | - |
| Fair Value of Agents' Warrants Expired | 9(f) | - | - | - | (19,359) | 19,359 | - |
| Net Loss and Comprehensive Loss | | - | - | - | - | (725,803) | (725,803) |
| **Balance, May 31, 2023** | | 50,125,666 | 26,625,407 | 142,500 | 925,033 | (27,724,965) | (32,025) |
| **Balance, February 29, 2024** | | 50,125,666 | 26,625,407 | 142,500 | 806,974 | (29,571,702) | (1,996,821) |
| Shares Issued on Exercise of Share Purchase Warrants | 9(b)(e) | 1,000,000 | 50,000 | - | - | - | 50,000 |
| Shares Issued on Exercise of Agents' Warrants | 9(b)(f) | 100,000 | 5,000 | - | - | - | 5,000 |
| Share Subscription Received | | - | - | 95,100 | - | - | 95,100 |
| Fair Value of Agent Warrants Exercised | 9(f) | - | 2,851 | - | (2,851) | - | - |
| Net Loss and Comprehensive Loss | | - | - | - | - | (482,930) | (482,930) |
| **Balance, May 31, 2024** | | 51,225,666 | 26,683,258 | 237,600 | 804,123 | (30,054,632) | (2,329,651) |

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

# Great Atlantic Resources Corp.

## Condensed Interim Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)
(Unaudited)

| | Note | Three-Months Ended May 31, 2024 $ | 2023 $ |
|---|---|---|---|
| **EXPENSES** | | | |
| Advertising, Marketing, and Investor Relations | | 30,000 | 30,556 |
| Audit, Accounting, and Legal | | 15,500 | 7,500 |
| Bank and Interest Charges | | 342 | 66 |
| Depreciation | 7 | 25,258 | 62,543 |
| Exploration | 8 | 272,306 | 462,303 |
| Insurance | | 2,561 | 2,438 |
| Interest Expense | | 42,765 | 3,542 |
| Management Fees | 11 | 60,000 | 60,900 |
| Office and Administration | | 106,482 | 106,169 |
| Regulatory Fees and Transfer Agent | | 3,031 | 1,046 |
| Travel | | 9,480 | 1,053 |
| Less: Rent Recovery | | (13,500) | (20,100) |
| **LOSS BEFORE OTHER ITEMS** | | (554,225) | (718,016) |
| Government Exploration Grants | | 70,585 | - |
| Fair Value Change of Marketable Securities | 5 | 710 | (7,787) |
| | | 71,295 | (7,787) |
| **NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD** | | (482,930) | (725,803) |
| **BASIC AND DILUTED LOSS PER SHARE** | | (0.01) | (0.02) |
| **WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING** | | 51,496,318 | 37,460,152 |

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

# Great Atlantic Resources Corp.

## Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)
(Unaudited)

| | May 31, 2024 $ | May 31, 2023 $ |
|---|---|---|
| **CASH PROVIDED BY (USED FOR):** | | |
| **OPERATING ACTIVITIES** | | |
| Net Loss for the Period | (482,930) | (725,803) |
| Non-Cash Items | | |
| Depreciation | 25,258 | 62,543 |
| Fair Value Change of Marketable Securities | (710) | 7,787 |
| | (458,382) | (655,473) |
| Change in Non-Cash Working Capital Accounts | | |
| GST Recoverable | (49,723) | (20,141) |
| Government Exploration Grant Receivable | 124 | 6,000 |
| Other Receivables | - | (21,105) |
| Accounts Payables and Accrued Liabilities | 125,627 | 543,159 |
| Interest Payable | 41,236 | - |
| Due to/from Related Parties | 97,770 | 129,755 |
| | (243,348) | (17,805) |
| **FINANCING ACTIVITIES** | | |
| Proceeds from Shares Issued on Exercise of Share Purchase Warrants | 50,000 | - |
| Proceeds from Shares Issued on Exercise of Agent Warrants | 5,000 | - |
| Share Subscription Received | 95,100 | 42,000 |
| Repayment of Lease Liabilities | (22,799) | (24,291) |
| Loan Proceeds | 115,900 | - |
| Loan Repayments | (500) | - |
| | 242,701 | 17,709 |
| **DECREASE IN CASH** | (647) | (96) |
| Cash, Beginning of the Period | 1,459 | 480 |
| **CASH, END OF THE PERIOD** | 812 | 384 |

Supplementary Cash Flow Information (Note 13)

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

## NOTE 1 – NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Great Atlantic Resources Corp. ("Great Atlantic" or the "Company") was incorporated in British Columbia on February 24, 1997, as J.P.T. Resources Ltd. and changed its name to Horizon Industries Ltd. on June 7, 1999. The Company changed its name again on February 13, 2009, to Petro Horizon Energy Corp. and on April 30, 2010, changed its name to Greenlight Resources Inc. On June 19, 2012, the Company changed its name to Great Atlantic Resources Corp.

The Company is currently engaged in the acquisition, exploration, and evaluation of its mineral property interests located in Atlantic Canada. The Company's shares are listed on the TSX Venture Exchange under the symbol GR and the head office, principal address, and registered office is located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on the basis that the Company is a going concern and will be able to meet its obligations and continue its operations for its next fiscal year. Several conditions as set out below cast uncertainties on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon the financial support from its shareholders and other related parties, its ability to obtain financing for the continuing exploration and development of its resource properties, the existence of economically recoverable reserves, and the attainment of profitable operations or proceeds from disposition of these properties.

The Company has not yet achieved profitable operations and has an accumulated deficit of $30,054,632 and a working capital deficit of $2,436,308 as at May 31, 2024; accordingly, the Company will need to raise additional funds through future issuance of securities or debt financing. Although the Company has raised funds in the past, there can be no assurance the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as the come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations.

The Company is in the process of exploring and developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves, and future production or proceeds from the disposition thereof.

The current cash resources are not adequate to pay the Company's accounts payable and to meet its minimum commitments at the date of these consolidated financial statements, including planned corporate and administrative expenses, and other project implementation costs, accordingly, there is significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

## NOTE 2 – MATERIAL ACCOUNTING POLICIES

### a) Statement of Compliance

The condensed interim consolidated financial statements have been prepared in accordance to IAS 34 *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved and authorized for issue by the board of Directors on July 29, 2024.

(Expressed in Canadian Dollars)

**Basis of Consolidation**

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. These condensed interim consolidated financial statements do not include all the information required for full annual financial statements. The condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended February 29, 2024. The accounting policies, methods of computation and presentation applied in these consolidated financial statements are consistent with those of the previous financial year.

## NOTE 3 – NEW ACCOUNTING STANDARDS ISSUED

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective as of May 31, 2024. The Company is assessing the impact of these new standards but does not expect them to have a significant effect on the consolidated financial statements. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded herein.

## NOTE 4 – ACCOUNTS RECEIVABLE

Included in accounts receivable are amounts due from a company for shared use of office space. As of May 31, 2024, $37,663 (February 29, 2024 - $37,663) was receivable from this company.

## NOTE 5 – MARKETABLE SECURITIES

| | May 31, 2024 $ | February 29, 2024 $ |
|---|---|---|
| **Balance, Beginning of the Year** | 3,062 | 23,406 |
| Fair Value Change of Marketable Securities | 710 | (20,344) |
| **Balance, End of the Period** | 3,772 | 3,062 |

## NOTE 6 – RIGHT-OF-USE ASSETS

The Company recognized lease liabilities under the principles of IFRS 16, Leases. These lease liabilities were measured at the present value of the remaining lease payments, discounted using the leases' incremental borrowing rate. The lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2023 was set at 5%.

The recognized Right-of-Use Assets were as follows:

| | May 31, 2024 $ | February 29, 2024 $ |
|---|---|---|
| **Balance, Beginning of the Year** | 328,429 | 402,395 |
| Add: Right-of-Use Assets | - | 12,061 |
| Revaluation of Right-of-Use Asset | - | 1,102 |
| Less: Depreciation of Right-of-Use Assets | (21,393) | (87,129) |
| **Balance, End of the Period** | 307,036 | 328,429 |

(Expressed in Canadian Dollars)

| | May 31, 2024 $ | February 29, 2024 $ |
|---|---|---|
| Lease Liabilities: | | |
| **Balance, Beginning of the Year** | 326,285 | 407,508 |
| Lease Additions | - | 12,061 |
| Lease Payments Adjustment | - | 1,102 |
| Lease Payments | (22,799) | (94,386) |
| **Balance, End of the Period** | 303,486 | 326,285 |
| Current | 87,654 | 88,261 |
| Non-current | 215,832 | 238,024 |
| | 303,486 | 326,285 |

For the period ended May 31, 2024, $1,529 (2023 - $742) was recorded as interest expense on lease liabilities.

**NOTE 7 - PROPERTY AND EQUIPMENT**

| | Computer and Office Equipment $ | Mining Equipment $ | Vehicles $ | Total $ |
|---|---|---|---|---|
| **COST** | | | | |
| Balance, February 28, 2023 and May 31, 2023 | 43,570 | 995,903 | 470,335 | 1,509,808 |
| Balance, February 29, 2024 and May 31, 2024 | 43,570 | 9,374 | - | 52,944 |
| **ACCUMULATED DEPRECIATION** | | | | |
| Balance, February 28, 2023 | 18,869 | 150,674 | 84,556 | 254,099 |
| Depreciation | 3,631 | 24,899 | 11,758 | 40,288 |
| Balance, May 31, 2023 | 22,500 | 175,573 | 96,314 | 294,387 |
| Balance, February 29, 2024 | 33,392 | 234 | - | 33,626 |
| Depreciation | 3,631 | 234 | - | 3,865 |
| Balance, May 31, 2024 | 37,023 | 468 | - | 37,491 |
| **NET BOOK VALUE** | | | | |
| Balance, February 29, 2024 | 10,177 | 9,140 | - | 19,318 |
| Balance, May 31, 2024 | 6,547 | 8,906 | - | 15,453 |

**NOTE 8 – EXPLORATION AND EVALUATION ASSETS**

Cumulative acquisition and exploration costs incurred by the Company to date on its mineral properties are summarized below.

(Expressed in Canadian Dollars)

| | Glenelg Property $ | Kagoot Brook $ | Keymet $ | MacDougal Road $ | Mascarene $ | Mount Raymond $ | Porcupine $ |
|---|---|---|---|---|---|---|---|
| **Balance, February 28, 2023** | 495,878 | (5,404) | 1,974,812 | 176,727 | 975,762 | 27,189 | (124,821) |
| Acquisition Costs | - | - | - | - | - | - | - |
| Exploration Costs (Recovery) | 23,644 | 3,963 | 54,613 | - | - | - | - |
| **Balance, May 31, 2023** | 519,522 | (1,441) | 2,029,425 | 176,727 | 975,762 | 27,189 | (124,821) |
| **Balance, February 29, 2024** | 559,674 | 11,980 | 2,105,721 | 187,007 | 1,001,621 | 27,189 | (123,661) |
| Acquisition Costs | - | - | - | - | - | - | - |
| Exploration Costs (Recovery) | 19,645 | 3,244 | 30,373 | 12,106 | - | - | - |
| **Balance, May 31, 2024** | 579,319 | 15,224 | 2,136,095 | 199,113 | 1,001,621 | 27,189 | (123,661) |

| | Golden Promise/ Trust $ | Pilley's Island $ | South Quarry $ | Mitchell Brook $ | General Exploration $ | Properties Terminated Prior to Feb 28, 2017 $ | Total $ |
|---|---|---|---|---|---|---|---|
| **Balance, February 28, 2023** | 4,644,665 | 536,763 | 789,672 | 20,615 | 1,021,390 | 2,297,125 | 12,830,373 |
| Acquisition Costs | - | - | - | - | - | - | - |
| Exploration Costs | 237,826 | 32,304 | 3,752 | - | 106,201 | - | 462,303 |
| **Balance, May 31, 2023** | 4,882,491 | 569,067 | 793,424 | 20,615 | 1,127,591 | 2,297,125 | 13,292,676 |
| **Balance, February 29, 2024** | 5,338,946 | 598,541 | 929,018 | 20,615 | 1,303,072 | 2,297,125 | 14,256,848 |
| Acquisition Costs | - | - | - | - | - | - | - |
| Exploration Costs | 177,398 | 6,170 | 3,910 | - | 19,460 | - | 272,306 |
| **Balance, May 31, 2024** | 5,516,344 | 604,711 | 932,928 | 20,615 | 1,322,532 | 2,297,125 | 14,529,154 |

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. All properties are located in Canada.

**a) Glenelg Vanadium Property, New Brunswick, Canada**

During the fiscal year 2019, the Company acquired, through an option agreement and by staking, the Glenelg Vanadium Property, located in southwest New Brunswick. Under the terms of the agreement, the Company may earn in a 100% interest in the property by making certain staged cash payments to the vendor over a five-year period as follows: (i) $10,000 in cash (paid); (ii) $15,000 in cash on or before the first anniversary of the approval date (paid); (iii) $30,000 in cash on or before the second anniversary of the approval date (paid); (iv) $30,000 in cash on or before the third anniversary of the approval date; (v) $40,000 on or before the fourth anniversary of the approval date; and (vi) $50,000 on or before the fifth anniversary of the approval date. In July, August and November 2022, the Company paid three cash payments of $5,000 each for a total of $15,000.

In the event the Company exercises the Option and acquires a 100% right, title and interest in and to the property, the vendor will be entitled to receive a 2.0% NSR, payable upon the commencement of commercial production. The Company has the right to purchase one-half of the NSR from the vendor at any time by paying to the vendor $1,000,000, leaving the vendor with a 1.0% remaining NSR.

**b) Kagoot Brook Cobalt Property, New Brunswick, Canada**

During the year ended February 28, 2018, the Company entered into an option agreement whereby the Company was granted an option to acquire 100% interest in the Kagoot Brook Cobalt Property located in North-Central New Brunswick. In consideration, the Company agreed to pay the vendor $15,000 in cash (paid) and issue 15,000 shares fair valued at $15,000 (issued) within ten days upon regulatory approval. The Company will also make payments to the vendors totaling $125,000 cash and issue $15,000 in shares over the next four years. During the year ended February 28, 2019, the Company made cash payments of $15,000 and issued 15,000 shares with a fair market value of $7,500. During the year ended February 29, 2020, the Company made cash payments of $30,000. In August 2021, the Company made a cash payment of $40,000 ($10,000 of the payment was forgiven).

There is a 2% net smelter royalty payable to the property owner with the Company retaining the right to purchase one percent for $500,000 upon the commencement of commercial production.

In 2018, the Company entered into an agreement with Explorex Resources Inc. (“Explorex”) whereby Explorex will acquire a 75-per-cent interest in the Kagoot Brook cobalt project. In January 2020, the option agreement was assigned to Origen Resources Inc. and further assigned to Recharge Resources Ltd. in August 2021.

The Kagoot Brook property is 100 per cent owned by Great Atlantic and is subject to an underlying agreement with a prospecting syndicate. The agreement for the optionees (Explorex and subsequently assigned to Recharge Resources) to acquire a 75-per-cent interest in the project is subject to the following terms:

- Cash payment of $25,000 (received) and issuance of 75,000 shares upon signing a definitive agreement. In September 2018, the Company received 75,000 shares with a fair market value of $21,750. A cash payment of $15,000 was also received in January 2019.
- Issuing $50,000 in shares of the Optionee on the 12-month anniversary of the definitive agreement; the number of shares to be issued will be based on the 10-day VWAP (volume-weighted average price) immediately prior to the anniversary date. On July 8, 2019, the Company received 197,904 shares of Explorex with a market value of $49,476.
- Recharge Resources Ltd (a successor optionee to Origen and Explorex) will incur a total expenditure of $750,000 (including all underlying payments) over a period of four years; of which $100,000 will be a firm commitment on or before the first anniversary of the definitive agreement. In August 2021, the Company agreed to amend the due date on the fourth anniversary exploration expenditures of $650,000 an additional 12 months from May 10, 2022 to May 10, 2023. In consideration of the extension Recharge Resources Ltd will issue 500,000 common shares (received).

Upon earning 75 per cent of the project, the parties will enter into a joint venture. The terms will provide for a pro rata dilution such that should Great Atlantic's interest drop below 5 per cent, it will revert to a 3-per-cent net smelter return. Recharge Resources Ltd will retain the right to buy back two percentage points at $1 million for each 1 per cent, or portion thereof. Should Great Atlantic seek to sell any portion of the remaining NSR, Recharge Resources Ltd will retain a first right of refusal.

**c) Keymet Property, New Brunswick, Canada**

During the year ended February 28, 2012, the Company completed an option agreement whereby the Company was granted an option to acquire a 100% interest in the Keymet Property, located northwest of Bathurst, New Brunswick. In consideration of the acquisition, the Company agreed to pay the vendor $50,000 cash ($30,000 paid) and to issue 25,000 shares (issued) over four years. The property is subject to a 2% net smelter return (“NSR”) with the Company retaining the right to purchase one half of it for $500,000. In March 2018, the final payment of $20,000 was paid, and the 100% acquisition was completed.

**d) MacDougall Road Property, New Brunswick, Canada**

During the year ended February 28, 2013, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the Antimony Property located in Western New Brunswick. In consideration of the acquisition, the Company agreed to pay the vendor $30,000 cash (see below) and to issue 15,000 shares (issued) over two years.

In May 2019, the Company issued 60,000 common shares for the settlement of the $30,000 payable. This completed the 100% acquisition.

**e) Mascarene Property, New Brunswick, Canada**

During the year ended February 28, 2018, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the Mascarene property located in New Brunswick. In consideration, the Company agreed to pay the vendor $15,000 (paid) in cash within ten business days upon signing of the agreement. The Company will also make payments to the vendors totaling $185,000 cash over the next five years. In February 2019, the Company made cash payments totaling $25,000. For the fiscal year ended February 29, 2020, the Company made cash payments totaling $30,000. In May 2020, the Company made payments totaling $30,000. In February 2021, the Company made a further payment of another $30,000.

There is a 2% net smelter royalty payable to the property owner with the Company retaining the right to purchase one percent for $1,000,000 upon the commencement of commercial production.

**f) Mount Raymond Property, New Brunswick, Canada**

During the year ended February 28, 2018, the Company staked a Mineral Exploration License in New Brunswick, referred to as the Mount Raymond Property.

**g) Porcupine Property, New Brunswick, Canada**

During the year ended February 28, 2011, the Company executed an option agreement to earn up to a 100% undivided interest in the Porcupine-Upper Miramichi Rare Earth Property located in New Brunswick. In consideration of the acquisition, the Company agreed to pay the vendors $6,000 upon signing of the agreement (paid), and an additional cash payment of $6,000 within 8 working days of the date of the agreement (paid). The Company also agreed to undertake to spend total minimum work commitments on the property of $120,000 over the next five years and to make payments to the vendors of $110,000 over the next five years (paid). Upon completion of the minimum work commitments and payments above, the Company earned a 100% undivided ownership interest in the property.

During the year ended February 29, 2012, the Company entered into an option agreement with Explorex Resources Inc. (Explorex) whereby Explorex was granted an option to acquire up to an 85% interest in the property. To earn an initial 70% interest, Explorex was required to make total cash payments of $180,000 ($25,000 received), issue a total of 850,000 common shares (150,000 common shares received) to the Company, and incur exploration expenditures of $1,000,000 over three years.

A further 15% can be earned after completion of a bankable feasibility report. This agreement was terminated during the year ended February 28, 2015.

During the year ended February 28, 2017, the Company signed an amended option agreement with the vendors, whereby both parties agreed to extend the fourth anniversary option payment originally due on October 12, 2015 to June 12, 2017. As part of this agreement, the Company agreed to issue an additional 10,000 common shares fair valued at $10,000 to the vendors.

During the year ended February 28, 2018, the Company entered into an option agreement with Fort St James Nickel Corp. ("FTJ") to sell the Porcupine Property. In March 2022, the agreement was revised to amend payment dates for the second, third and fourth anniversary payments to October 31, 2022. Under the terms of the option agreement, FTJ is required to make the following payments to earn a 100% interest in the property: (i) a payment of $15,000 cash (received) and 500,000 common shares valued at $107,500 at the time of grant within five days of the approval date (received); (ii) a cash payment of $20,000 (received) and $75,000 (received shares with a fair market value of $43,359) in common shares on or before the first anniversary of the approval date; (iii) a cash payment of $20,000 and $75,000 in common shares on or before October 31, 2022; (iv) a cash payment of $20,000 and $75,000 in common shares on or before October 31, 2022; and (v) a cash payment of $75,000 and $200,000 in common shares on or before October 31, 2022. FTJ is also required to spend $1,000,000 in exploration expenditures on the property over a four-year period with a minimum of $150,000 each year. In June 2022, the Company recorded receipt of 875,000 shares of FTJ with a fair market value of $143,750. Additionally, in September 2022, the Company received three cash payments totalling $115,000.

**h) Golden Promise Property, Newfoundland, Canada**

During the year ended February 28, 2017, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the Golden Promise Property in Newfoundland and Labrador. The property encompasses 60 stake lode claims located near the Town of Badger.

In consideration, the Company agreed to pay the vendor $35,000 in cash within three business days upon signing of the agreement (paid) and to issue 83,333 common shares valued at $50,000 upon regulatory approval (issued). The Company will also make payments to the vendors totalling $485,000 cash ($65,000 paid in 2018) and issue $450,000 in shares ($50,000 issued in 2018) over the next four years. In July 2018, the Company paid $125,000 and in August 2018 issued $50,000 equivalent shares. On July 9, 2019, the Company issued 25,000 shares with a market value of $85,000 and paid $145,000 in cash on July 31, 2019. The Company also issued 8,000 shares in July 2019 with a market value of $4,800 as a finder fee. On March 12, 2020, the Company issued 360,000 shares with a market value of $108,000 and on July 31, 2020 paid $150,000 in cash. In addition, the Company is required to spend a minimum of $500,000 in expenditures on the property by July 05, 2020. Upon completion of the minimum work commitments and payments above, the Company will earn a 100% undivided ownership interest in the property.

There is a 2% to 2.5% net smelter royalty payable to the property owner with the Company retaining the right to purchase one percent for $1,000,000. The Company will pay the property owner annual royalty advance of $20,000 commencing on the 7th anniversary and each subsequent year. All royalty payments contributed will be credited towards the royalty due to the property owner.

The Company also agreed to issue 25,000 common shares fair valued at $15,000 as finders' fee; 17,000 common shares with a fair value of $10,200 was issued in the year ended February 28, 2017.

**i) Pilley's Island Property, Newfoundland, Canada**

During the year ended February 28, 2018, the Company entered into an option agreement with Unity Resources Inc. ("Unity") under which the Company may acquire 100% interest of mining claims comprising the Pilley's Mine Project, the Southern Golden Promise Project, and the Point Leamington Project located in central Newfoundland. In consideration, the Company agreed to issue 100,000 shares fair valued at $100,000 (issued) to the vendor within ten days upon regulatory approval. The Company will also make payments to the vendors totaling $80,000 cash payments over five years or issue shares in equivalent value. On March 12, 2020, the Company issued 112,000 common shares with a market value of $33,600.

**j) South Quarry Property, Newfoundland, Canada**

During the year ended February 28, 2013, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the South Quarry tungsten Property. In consideration of the acquisition, the Company agreed to pay the vendor $135,000 in cash (paid) and issue 85,000 shares (issued) over four years. The Company earned a 100% interest in the property.

**k) Mitchell Brook Property, Nova Scotia, Canada**

During the year ended February 28, 2017, the Company staked a Mineral Exploration License in eastern Nova Scotia approximately 120 kilometers northeast of Halifax. The License consists of 33 claims, covering an area of approximately 534 hectares, and is referred to as the Mitchell Brook Property.

## NOTE 9 – SHARE CAPITAL

**a) Authorized Share Capital**

Unlimited number of common shares without par value.

(Expressed in Canadian Dollars)

**b) Issued and Outstanding Common Shares**

As at May 31, 2024, there were 51,225,666 common shares issued and outstanding.

***The following share issuances occurred during the period ended May 31, 2024:***

In May 2024, 1,000,000 shares were issued upon the exercise of 1,000,000 share purchase warrants at an exercise price of $0.05 per share purchase warrant for gross proceeds of $50,000. Additionally, 100,000 shares were issued upon the exercise of 100,000 agent warrants at an exercise price of $0.05 per agent warrant for gross proceeds of $5,000. The fair value of the agent warrants exercised was $2,851.

***The following share issuances occurred during the period ended May 31, 2023:***

There were no shares issued during the period ended May 31, 2023.

**c) Stock Options**

The Company has a stock option plan under which it is authorized to grant options to directors, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Vesting terms are determined by the board of directors at the time of grant.

As at May 31, 2024, 1,035,000 options, with a weighted average exercise price of $0.59 per share and a weighted average remaining life of 1.12 years were outstanding.

| Expiry Date | Exercise Price | February 29, 2024 | Granted | Exercised | Expired/ Cancelled | May 31, 2024 |
|---|---|---|---|---|---|---|
| September 23, 2024 | $0.41 | 165,000 | - | - | - | 165,000 |
| January 13, 2025 | $0.50 | 30,000 | - | - | - | 30,000 |
| August 18, 2025 | $0.65 | 390,000 | - | - | - | 390,000 |
| October 7, 2025 | $0.60 | 450,000 | - | - | - | 450,000 |
| | | 1,035,000 | - | - | - | 1,035,000 |

As at May 31, 2023, 1,135,000 options, with a weighted average exercise price of $0.60 per share and a weighted average remaining life of 1.97 years were outstanding.

| Expiry Date | Exercise Price | February 28, 2023 | Granted | Exercised | Expired/ Cancelled | May 31, 2023 |
|---|---|---|---|---|---|---|
| March 22, 2023 | $1.00 | 150,000 | - | - | (150,000) | - |
| October 23, 2023 | $0.70 | 100,000 | - | - | - | 100,000 |
| September 23, 2024 | $0.41 | 165,000 | - | - | - | 165,000 |
| January 13, 2025 | $0.50 | 30,000 | - | - | - | 30,000 |
| August 18, 2025 | $0.65 | 390,000 | - | - | - | 390,000 |
| October 7, 2025 | $0.60 | 450,000 | - | - | - | 450,000 |
| | | 1,285,000 | - | - | (150,000) | 1,135,000 |

**d) Based Payments**

Stock-based compensation costs have been determined based on the fair value of the stock options and agents' warrants at the grant date using the Black-Scholes option pricing model.

During the period ended May 31, 2024, and 2023, the Company did not issue any stock options nor agents' warrants.

(Expressed in Canadian Dollars)

**e) Share Purchase Warrants**

As at May 31, 2024, 30,964,878 share purchase warrants, with a weighted average exercise price of $0.30 per share were outstanding.

| Expiry Date | Exercise Price | February 29, 2024 | Granted | Exercised | Expired/ Cancelled | May 31, 2024 |
|---|---|---|---|---|---|---|
| *June 8, 2024 | $0.75 | 3,587,200 | - | - | - | 3,587,200 |
| *July 27, 2024 | $0.75 | 2,900,000 | - | - | - | 2,900,000 |
| November 24, 2024 | $0.75 | 3,201,250 | - | - | - | 3,201,250 |
| December 01, 2024 | $0.75 | 390,000 | - | - | - | 390,000 |
| December 23, 2024 | $0.75 | 150,000 | - | - | - | 150,000 |
| June 28, 2027 | $0.12 | 3,775,000 | - | - | - | 3,775,000 |
| July 21, 2027 | $0.12 | 4,390,000 | - | - | - | 4,390,000 |
| November 16, 2027 | $0.05 | 13,571,428 | - | (1,000,000) | - | 12,571,428 |
| | | 31,964,878 | - | (1,000,000) | - | 30,964,878 |

*Expired subsequent to the period ended May 31, 2024.

As at May 31, 2023, 37,794,878 share purchase warrants, with a weighted average exercise price of $0.36 per share were outstanding.

| Expiry Date | Exercise Price | February 28, 2023 | Granted | Exercised | Expired/ Cancelled | May 31, 2023 |
|---|---|---|---|---|---|---|
| March 11, 2023 | $0.75 | 263,158 | - | - | (263,158) | - |
| March 29, 2023 | $0.75 | 545,455 | - | - | (545,455) | - |
| September 16, 2023 | $0.75 | 2,396,000 | - | - | - | 2,396,000 |
| September 21, 2023 | $0.75 | 2,084,000 | - | - | - | 2,084,000 |
| February 22, 2024 | $0.75 | 1,350,000 | - | - | - | 1,350,000 |
| June 8, 2024 | $0.75 | 3,587,200 | - | - | - | 3,587,200 |
| July 27, 2024 | $0.75 | 2,900,000 | - | - | - | 2,900,000 |
| November 24, 2024 | $0.75 | 3,201,250 | - | - | - | 3,201,250 |
| December 01, 2024 | $0.75 | 390,000 | - | - | - | 390,000 |
| December 23, 2024 | $0.75 | 150,000 | - | - | - | 150,000 |
| June 28, 2027 | $0.12 | 3,775,000 | - | - | - | 3,775,000 |
| July 21, 2027 | $0.12 | 4,390,000 | - | - | - | 4,390,000 |
| November 16, 2027 | $0.05 | 13,571,428 | - | - | - | 13,571,428 |
| | | 38,603,491 | - | - | (808,613) | 37,794,878 |

**f) Agents' Warrants**

As at May 31, 2024, 830,523 agents' warrants, with a weighted average exercise price of $0.16 per share were outstanding.

| Expiry Date | Exercise Price | February 29, 2024 | Granted | Exercised | Expired/ Cancelled | May 31, 2024 |
|---|---|---|---|---|---|---|
| *July 21, 2024 | $0.09 | 16,000 | - | - | - | 16,000 |
| November 16, 2024 | $0.05 | 64,000 | - | - | - | 64,000 |
| November 24, 2024 | $0.40 | 175,000 | - | - | - | 175,000 |
| November 24, 2024 | $0.75 | 25,463 | - | - | - | 25,463 |
| December 01, 2024 | $0.75 | 2,800 | - | - | - | 2,800 |
| June 28, 2027 | $0.10 | 177,500 | - | - | - | 177,500 |
| July 21, 2027 | $0.09 | 48,000 | - | - | - | 48,000 |
| November 16, 2027 | $0.05 | 421,760 | - | (100,000) | - | 321,760 |
| | | 930,523 | - | (100,000) | - | 830,523 |

(Expressed in Canadian Dollars)

*Expired subsequent to the period ended May 31, 2024.

As at May 31, 2023, 1,123,483 agents' warrants, with a weighted average exercise price of $0.25 per share were outstanding

| Expiry Date | Exercise Price | February 28, 2023 | Granted | Exercised | Expired/ Cancelled | May 31, 2023 |
|---|---|---|---|---|---|---|
| March 11, 2023 | $0.75 | 15,789 | - | - | (15,789) | - |
| March 29, 2023 | $0.55 | 72,727 | - | - | (72,727) | - |
| September 16, 2023 | $0.75 | 103,560 | - | - | - | 103,560 |
| September 21, 2023 | $0.75 | 48,000 | - | - | - | 48,000 |
| February 22, 2024 | $0.75 | 41,400 | - | - | - | 41,400 |
| July 21, 2024 | $0.09 | 16,000 | - | - | - | 16,000 |
| November 16, 2024 | $0.05 | 64,000 | - | - | - | 64,000 |
| November 24, 2024 | $0.40 | 175,000 | - | - | - | 175,000 |
| November 24, 2024 | $0.75 | 25,463 | - | - | - | 25,463 |
| December 01, 2024 | $0.75 | 2,800 | - | - | - | 2,800 |
| June 28, 2027 | $0.10 | 177,500 | - | - | - | 177,500 |
| July 21, 2027 | $0.09 | 48,000 | - | - | - | 48,000 |
| November 16, 2027 | $0.05 | 421,760 | - | - | - | 421,760 |
| | | 1,211,999 | - | - | (88,516) | 1,123,483 |

**g) Agents' Warrant Units**

As at May 31, 2024 and 2023, 325,000 agents' warrant units, with a weighted average exercise price of $0.50 per share were outstanding.

| Expiry Date | Exercise Price | February 28, 2023 | Granted | Exercised | Expired/ Cancelled | May 31, 2024/2023 |
|---|---|---|---|---|---|---|
| June 08, 2024 | $0.50 | 144,000 | - | - | - | 144,000 |
| July 27, 2024 | $0.50 | 174,000 | - | - | - | 174,000 |
| December 01, 2024 | $0.40 | 7,000 | - | - | - | 7,000 |
| | | 325,000 | - | - | - | 325,000 |

**NOTE 10 – LOANS PAYABLE**

| | May 31, 2024 $ | February 29, 2024 $ |
|---|---|---|
| Loan Payable | 101,850 | 101,850 |
| Interest on Loans | 13,466 | 7,346 |
| | 115,316 | 109,196 |

During the year ended February 29, 2024, the Company received loan proceeds of $130,400 (2023- $Nil) from an arm's length party and repaid $28,550 (2023 - $Nil). The loans are subject to an interest rate of 18% and 21% per annum, are unsecured, and have no repayment terms. The Company recorded $16,296 (2023 - $Nil) in interest and repaid $8,950 (2023 - $Nil).

During the period ended May 31, 2024, the Company accrued $6,120 (2023 - $Nil) in interest.

(Expressed in Canadian Dollars)

## NOTE 11 – RELATED PARTY TRANSACTIONS

Key management includes directors (executive and non-executive) and senior management, including Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations. Some of the amounts due to (from) related parties are subject to an interest rate of 10%, 18% and 21% per annum, are unsecured, and have no fixed terms of repayment, unless otherwise disclosed.

As at May 31, 2024, the Company has the following amounts due to (from) related parties.

| | May 31, 2024 | February 29, 2024 |
|---|---|---|
| | $ | $ |
| Due to companies controlled by Directors and Officers for management services and reimbursements | 1,163,410 | 915,126 |
| | 1,163,410 | 915,126 |

The Company had the following transactions with related parties:

- Management fees and allowances totalling $61,650 (2023 – $60,900) were paid or accrued to a company controlled by a director and officer of the Company during the period ended May 31, 2024. Reimbursements of $26,370 were accrued for various office expenses.

- The Company received net loan advances of $115,400 (2023 - $118,556) from an officer and director and company controlled by an officer and director of the Company and accrued $32,438 (2023 - $2,800) in interest expense. The loans are subject to an interest rate of 21% per annum, are unsecured, and have no repayment terms. The Company accrued interest of $2,678 (2023 - $Nil) on a loan a from a company controlled by a director. As at May 31, 2024, loans payable were $778,748.

## NOTE 12 – COMMITMENTS

a) The Company entered into an agreement with an officer and a director for management services for monthly fees of $20,000 with a vacation payout and bonus of $25,000 to be issued annually. The agreement expired August 31, 2022, and automatically renewed for another three years.

b) Company entered into an office space lease from August 21, 2012 to December 31, 2017 at $5,802 per month. The term of the lease was extended for another five years, commencing January 01, 2018 and expired December 31, 2022 at $6,252 per month. The lease was extended for another five years, commencing January 01, 2023 and expiring December 31, 2027. The lease is $7,783 per month up to December 1, 2023, $7,881 per month up to December 1, 2024, $8,060 per month up to December 1, 2026 and $8,199 per month until December 31, 2027.

c) The Company entered into an equipment lease from May 1, 2023 to February 28, 2028 at $684 per quarter.

## NOTE 13 – SUPPLEMENTARY CASH FLOW INFORMATION

**Significant Non-Cash Financing Activity**

| | May 31, 2024 | February 29, 2024 |
|---|---|---|
| | $ | $ |
| Disposal of Equipment to Settle Accounts Payable | - | 1,113,087 |
| | - | 1,113,087 |

**NOTE 14 – CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. 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 Company manages its share capital as capital, which as at May 31, 2024 was $26,683,258 (February 29, 2024 – $26,625,407). 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 not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended February 29, 2024, nor during the period ended May 31, 2024.

**NOTE 15 – FINANCIAL INSTRUMENTS**

The fair value of the Company's loan payable amounts, due from/to related parties, and accounts payable and accrued liabilities, approximate their carrying value, which is the amount recorded on the consolidated statements of financial position. The Company's other financial instruments, cash and marketable securities under the fair value hierarchy are recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

**a) Credit Risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is not significant.

**b) 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 May 31, 2024, the Company has a working capital deficit of $2,436,308. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company will be required to fund these liabilities through the issuance of capital stock and loans from related parties over the coming year.

**c) Interest Rate Risk**

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Loans payable are non-interest bearing. Based on forecasted interest rate movements and due to the short-term nature of these financial instruments, fluctuations in market rates are not expected to have a significant impact on estimated fair values.

**d) Price Risk**

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. 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.

**NOTE 16 – SUBSEQUENT EVENT**

In July 2024, the Company received a reimbursement of $328,000 from Digital, Canada's Global Innovation Cluster for digital technologies, for expenses incurred by the Company on the ongoing Golden Promise bulk sample initiative at the Jaclyn main zone in Newfoundland.