



Consolidated Financial Statements

March 31, 2023
and
March 31, 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Galore Resources Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Galore Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2023 and 2022 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company's ability to continue as a going concern is dependent upon its ability to raise sufficient funds in order to finance exploration and administrative expenses. These matters, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matter:	How our audit addressed the key audit matter:
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 2(i) – Accounting policy Exploration and evaluation assets, note 2(d) – Critical accounting estimates and judgements, and note 3 Exploration and evaluation assets</i> Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable.	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment.

Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.

Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.

Confirmed that the Company's right to explore the properties had not expired.

Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets.

Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is G. Cameron Dong.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
July 28, 2023

GALORE RESOURCES INC.

Consolidated Statements of Financial Position

As at March 31,

(Expressed in Canadian Dollars)

	2023	2022
	\$	\$
Assets		
Current assets		
Cash	2,758	74,670
Amounts receivable	377	4,474
Prepaid expenses	-	15,201
	3,135	94,345
Exploration and evaluation assets (note 3)	9,894,127	8,582,099
	9,897,262	8,676,444
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	6,077,564	3,976,109
Due to related party (note 5)	755,115	582,043
Loans payable (note 6)	44,997	39,135
	6,877,676	4,597,287
Shareholders' equity		
Share capital (note 7(a))	18,366,800	18,366,800
Reserves (note 7(c))	3,199,887	3,062,887
Deficit	(18,547,101)	(17,350,530)
	3,019,586	4,079,157
	9,897,262	8,676,444

See accompanying notes to the consolidated financial statements

Nature and continuance of operations (note 1)

Commitments (note 13)

Approved by the Board of Directors and authorized for issue on July 28, 2023.

"Charles Troup"

Charles Troup, Director

"Mike McMillan"

Mike McMillan, Director

GALORE RESOURCES INC.

Consolidated Statements of Comprehensive Loss
For the years ended March 31,
(Expressed in Canadian Dollars)

	2023	2022
	\$	\$
Operating costs and expenses		
Consulting (note 4)	6,060	19,710
Corporate development and investor relations	9,866	12,091
Interest expense (note 5 & 6)	299,205	225,800
Management fees (note 4)	428,689	316,216
Office and miscellaneous	42,885	14,805
Professional fees	22,340	66,576
Shareholder communications	3,303	12,286
Share-based compensation (note 4)	137,000	160,735
Trust and filing fees	35,240	62,424
Loss from operations	(984,588)	(890,643)
Foreign exchange gain (loss)	(211,983)	101,632
Bonus shares (note 7 (a))	-	(10,000)
Net loss and comprehensive loss for the year	(1,196,571)	(799,011)
Weighted average number of common shares outstanding	165,624,750	149,260,969
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)

See accompanying notes to the consolidated financial statements

GALORE RESOURCES INC.

Consolidated Statements of Cash Flows
For the years ended March 31,
(Expressed in Canadian dollars)

	2023	2022
	\$	\$
Cash provided by (used for):		
Operating activities		
Net loss for the year	(1,196,571)	(799,011)
Items not involving the use of cash:		
Bonus shares	-	10,000
Interest accrual	299,208	225,800
Foreign exchange	211,983	(101,632)
Share-based compensation	137,000	160,735
	(548,380)	(504,108)
Change in non-cash working capital:		
Amounts receivable	4,097	1,311
Prepaid expenses	15,201	(15,201)
Accounts payable and accrued liabilities	526,495	247,678
	(2,587)	(270,320)
Investing activities		
Exploration and evaluation assets	(146,011)	(396,614)
	(146,011)	(396,614)
Financing activities		
Advances from related party	76,686	52,495
Loan repaid	-	(127,761)
Proceeds from private placements	-	816,526
	76,686	741,260
Increase (decrease) in cash	(71,912)	74,326
Cash, beginning of the year	74,670	344
Cash, end of the year	2,758	74,670

See accompanying notes to consolidated financial statements

Supplementary disclosure: Refer to note 8.

GALORE RESOURCES INC.

Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Number of shares	Share capital	Reserves	Deficit	Total equity
		\$	\$	\$	\$
March 31, 2021	139,538,998	17,485,274	2,902,152	(16,551,519)	3,835,907
Private placement, net	23,385,752	816,526	-	-	816,526
Shares for debt settlement	2,200,000	55,000	-	-	55,000
Bonus shares issued	500,000	10,000	-	-	10,000
Share-based compensation	-	-	160,735	-	160,735
Net loss for the year	-	-	-	(799,011)	(799,011)
March 31, 2022	165,624,750	18,366,800	3,062,887	(17,350,530)	4,079,157
Share-based compensation	-	-	137,000	-	137,000
Net loss for the year	-	-	-	(1,196,571)	(1,196,571)
March 31, 2023	165,624,750	18,366,800	3,199,887	(18,547,101)	3,019,586

See accompanying notes to consolidated financial statements

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

1) NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated in British Columbia, Canada and has been primarily involved in the acquisition and exploration of mineral property interests in North America. The address of the Company's corporate office and principal place of business is Suite 1400 - 1125 Howe Street, Vancouver, B.C. V6Z 2K8 and the corporate mailing address is 2701 Little Elm Parkway, Suite 100 #512, Little Elm, Texas, 75068 United States of America.

At the date of these financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its properties. The ability of the Company to recover the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the property. Although the Company is unaware of any defects in its title to its mineral properties, no guarantee can be made that none exist.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations, and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception, has no recurring source of revenue and at March 31, 2023, the Company has a working capital deficiency of \$6,874,541 and an accumulated deficit of \$18,547,101. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The Company continuing operations as intended is dependent upon its ability to raise sufficient funds in order to finance exploration and administrative expenses. The Company has no assurance that such financing will be available or be available on favorable terms. Factors that could affect the availability of financing include the Company's performance (as measured by numerous factors including the progress and results of its projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. If successful, the Company would obtain additional financing through, but not limited to, the issuance of additional equity. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation and statement of compliance with International Financial Reporting Standards

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

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b) Consolidation

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Minerales Galore, S.A de C.V.	Zacatecas State, Mexico	100%	Mineral Exploration

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

2) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

c) Foreign currency translation

The Company's functional and reporting currency is the Canadian dollar. The functional currency of the Company's subsidiary is the Canadian dollar (CAD).

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss, except for differences on the retranslation of fair value through other comprehensive income instruments which are recognized in other comprehensive income. For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's subsidiary are translated into the Canadian dollar using exchange rates prevailing at the end of the period. Income and expense items are translated at the average rate for the period. Exchange differences are recognized in the statement of comprehensive loss.

d) Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies:

The following are critical judgements that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- the determination that the Company will continue as a going concern for the next year; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable.

Certain of the Company's assets and liabilities have carrying amounts that have a significant risk of a material adjustment in the following financial year due to the uncertainty of the estimates that are used in determining their carrying amounts. Estimates of the effects of uncertain future events may be based on historical results or other assumptions and factors and are reviewed on an ongoing basis. When a change in estimate causes a change in carrying amount of an asset or liability the change is recorded prospectively. Assets and liabilities that are subject to significant estimation uncertainty include:

- Impairment testing of exploration and evaluation assets is required where circumstances indicate a likelihood that carrying amounts exceed recoverable amounts.

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

2) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

e) Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

f) Share-based payments

The Company's stock option plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share-based payment is recognized as an expense or capitalized to share capital with a corresponding increase in reserves. Consideration received on the exercise of stock options is recorded as share capital and the related reserves amount is transferred to share capital.

g) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

h) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

2) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

i) Exploration and evaluation assets

Once a permit to explore an area has been secured, expenditures on exploration and evaluation are capitalized to exploration and evaluation assets and classified as a non-current asset.

Exploration expenditures relate to the initial search for mineral deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Exploration expenditure costs incurred are included in exploration and evaluation assets and these include any cash consideration and advance earn-in payments and the fair market value of shares issued, if any, related to the mineral property interests. 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.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that an expenditure is not expected to be recovered, it is charged to comprehensive income.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within property, plant and equipment.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

j) Provision for closure and reclamation

Provisions for closure and reclamation obligations are recognized when a legal or constructive obligation arises. The liability is recognized at the present value of management's best estimate of the closure and reclamation obligation. The estimate is discounted to the present value using a discount rate specific to the obligation. When the liability is initially recorded the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. Over time the liability is accreted to its present value each period, and the capitalized cost is amortized on the same basis as the related asset. Upon settlement of the liability, the Company may incur a gain or loss.

k) Impairment

At each reporting period, management reviews all assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

2) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1) Financial instruments

We have assessed the classification and measurement of our financial assets and financial liabilities as follows:

Financial Assets	
Cash	Amortized cost
Amounts receivable (excluding sales taxes)	Amortized cost
Financial Liabilities	
Accounts payables and accrued liabilities	Amortized cost
Due to related party	Amortized cost
Loan payable	Amortized cost

The classification of financial assets is based on how the entity manages its financial instruments and contractual cash flow characteristics of the financial asset. Transactions costs with respect to financial instruments classified as fair value through profit or loss are recognized in the statements of loss and comprehensive loss.

Impairment of Financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of financial assets classified as loans and receivables, where the carrying amount is reduced through the use of an allowance account. When these assets are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

3) EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets

Title to exploration and evaluation assets 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 exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

	Dos Santos, Mexico
	\$
Balance, March 31, 2021	7,645,151
Camp, geological, geophysical, and geochemical	130,969
Drilling	118,049
Field office, travel, accommodation	52,859
Payments of rights	601,247
Other exploration costs	33,824
Balance, March 31, 2022	8,582,099
Assay & analysis	58,171
Camp, geological, geophysical, and geochemical	134,060
Drilling	37,373
Field office, travel, accommodation	9,490
Other exploration costs	30,465
Payment of rights	1,042,469
Balance, March 31, 2023	9,894,127

Dos Santos, Mexico

In December 2007 (and amended on April 4, 2009), the Company signed an option agreement to purchase 100% of the Dos Santos gold and base-metal property located in Zacatecas State, Mexico. In order to earn a 100% interest in the property the Company had to pay \$250,000 U.S. over a four-year period (paid).

The Company also acquired certain other mineral claims through staking.

During the year ended March 31, 2012, the Company entered into a purchase agreement to acquire the surface rights to certain privately-owned lands known as Rancho Duraznillo that cover a portion of the Dos Santos project. The terms of the agreement required payments of 350,000 MXN Pesos on signing (paid) and further monthly payments over 18 months totaling approximately 1,050,000 MXN Pesos. The Company completed these payments during the period ended December 31, 2018, and acquired the surface rights and gained full title.

On March 7, 2022, the Company entered into a five-year exploration and exploitation agreement with Oztoc Metal Corporation, S. De R.L. C.V. ("Oztoc"), (subject to a five-year validity for renewal) to mine gold from certain claims within the property. Under this contract, Oztoc is to be responsible for all required insurance, permits, fees, duties, and taxes associated with the Mining Law and other federal, state and local laws. Any proceeds, net of costs, will be allocated 30% to the Company and 70% to Oztoc. The Company would retain the rights on all other minerals extracted at the Company's other claims. A significant shareholder of the Company is also a significant shareholder of Oztoc.

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

4) RELATED PARTY TRANSACTIONS

Key management personnel compensation:

	2023	2022
	\$	\$
Share-based compensation	137,000	160,735
Consulting fees	6,060	19,710
Management fees	428,689	316,216
Total management compensation	571,749	496,661

All transactions with related parties have occurred in the normal course of operations and management represents that they have occurred on a basis consistent with those involving unrelated parties, and accordingly that they are measured at fair value.

Included in accounts payable and accrued liabilities as at March 31, 2023 is \$2,310,327 (March 31, 2022 - \$1,383,719) due to officers and directors and companies controlled by officers and directors.

5) DUE TO RELATED PARTY

In January 2017, the Company entered into a loan agreement with the CEO of the Company (the "CEO"), whereby the Company borrowed USD\$150,000. Under the terms of the agreement, the loan was to be due on January 12, 2019, bore interest of 8% per annum, compounded monthly, and was payable upon demand, provided however, that the Lender agreed not to make a demand within the first twelve months of the Loan. On January 12, 2019, the loan matured and remains outstanding. No formal loan extension has been reached, and the loan continues to accrue interest at the stated terms.

In May 2019, the CEO of the Company loaned the Company a further USD \$100,000, bearing interest at 10% per annum. The Company issued 2,000,000 bonus warrants to the lender in consideration of the loan. These warrants were ascribed a fair value \$63,600 and expired unexercised on July 4, 2020.

The CEO of the Company has advanced additional funds to the Company. The advances are unsecured, non-interest bearing and due on demand. During the year ended March 31, 2023, \$76,686 (USD \$59,400) (March 31, 2022 - \$52,467 (USD \$41,800)) was advanced. As at March 31, 2023, a total of \$322,117 (USD \$248,500) was advanced and \$107,729 (USD \$83,485) has been repaid.

During year ended March 31, 2023, the Company accrued interest of \$43,421 (USD \$32,797) (March 31, 2022 - \$37,656 (USD \$30,030)). As at March 31, 2023, the total amount owing is \$755,115 (March 31, 2022 - \$582,043).

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

6) LOANS PAYABLE

On December 17, 2020, the Company entered into a one-year loan agreement with an arm's length shareholder of the Company (the "Lender"). Under the terms of the agreement, the Lender provided the Company with a loan of USD \$29,000, bearing interest at 6% per annum, compounded monthly. As additional consideration, the Company issued to the Lender a bonus of 140,000 common shares for a fair value of \$2,800. No formal loan extension has been reached, and the loan continues to accrue interest at the stated terms.

During year ended March 31, 2023, the Company accrued interest of \$2,557 (USD \$1,932) (March 31, 2022 - \$5,241 (USD \$4,198)). As at March 31, 2023, the total amount owing is \$44,997 (March 31, 2022 - \$39,135).

7) SHARE CAPITAL

a) The authorized share capital of the Company consists of an unlimited number of common shares.

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

During the year ended March 31, 2022, the Company issued the following shares:

- On September 29, 2021, the Company issued 2,200,000 shares to members of key management to settle \$55,000 of debt from past services performed.
- On November 19, 2021, the Company completed a non-brokered private placement, issuing 23,385,752 shares for gross proceeds of \$818,501.
- On December 31, 2021, the Company issued 500,000 bonus shares, valued at \$10,000, in consideration of consulting services.

b) Stock options

The Company has a stock option plan (the "Plan") which allows the Company to grant options to directors, officers, employees and consultants. Under the Plan, options will be exercisable over periods of up to 5 years and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%. Under the Company's current plan, which was approved by the shareholders at its annual general meeting held November 8, 2018, a total of 24,500,000 are reserved for issuance.

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

7) SHARE CAPITAL (continued)

The continuity of stock options is as follows:

	2023		2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the year	16,000,000	0.10	14,800,000	0.08
Granted	7,100,000	0.10	8,325,000	0.10
Expired/cancelled	(1,000,000)	0.10	(7,125,000)	0.07
Balance, end of the year	22,100,000	0.10	16,000,000	0.10
Weighted average years to expiry		2.83		2.90

As at March 31, 2023, the following options are outstanding:

Number of Options	Exercise Price	Expiry Date
	\$	
3,300,000	0.10	May 1, 2023*
1,650,000	0.10	November 13, 2023
425,000	0.10	August 13, 2024
1,300,000	0.10	May 12, 2025
8,325,000	0.10	May 26, 2026
7,100,000	0.10	September 8, 2027
22,100,000		

* Subsequently expired unexercised.

c) Share-based payment reserve

During the year ended March 31, 2023, the Company granted 7,100,000 options exercisable at price of \$0.10 for a period of 5 years, to eligible directors and officers of the Company.

During the year ended March 31, 2022, the Company granted 8,325,000 options exercisable at price of \$0.10 for a period of 5 years, to an eligible director and officers of the Company.

The following weighted average assumptions were used for the Black Scholes valuation of stock options granted in:

	2023	2022
Risk-free interest rate	3.37%	0.87%
Expected life	5 years	5 years
Expected volatility	212.25%	214.43%
Dividend rate	-	-

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

7) SHARE CAPITAL (continued)

d) Warrants

The continuity of warrants is as follows:

	2023		2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the year	16,509,484	0.08	27,928,668	0.09
Granted	-	-	-	-
Expired	-	-	(11,419,184)	0.09
Balance, end of the year	16,509,484	0.08	16,509,484	0.08
Weighted average years to expiry		1.33		2.51

As at March 31, 2023, the following warrants are outstanding:

Number of Warrants	Exercise Price	Expiry Date
	\$	
8,391,542	0.08	October 4, 2023
3,743,629	0.10	September 16, 2024*
1,324,250	0.10	October 28, 2024*
528,440	0.10	November 11, 2024*
2,521,623	0.05	July 23, 2025
16,509,484		

**These warrants were extended a further 3 years from their original expiry date.*

8) SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the year ended March 31, 2023 were:

a) At period end, included in accounts payable was \$3,722,739 of exploration and evaluation asset costs.

The significant non-cash transactions for the year ended March 31, 2022 were:

a) At period end, included in accounts payable was \$2,556,722 of exploration and evaluation asset costs.

b) Proceeds from private placement are net of share issuance costs.

c) 2,200,000 common shares valued at \$55,000 were issued to settle a portion of debt owed to key management for services.

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

9) SEGMENTED INFORMATION

The Company primarily operates in one reportable segment, being the acquisition, exploration and evaluation of exploration and evaluation assets located in Canada and Mexico. Geographic information is as follows:

	2023	2022
	\$	\$
Non-current assets		
Canada	-	-
Mexico	9,894,127	8,582,099
	9,894,127	8,582,099

10) FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash, amounting to \$2,758 at March 31, 2023 (2022 - \$74,670). As the Company's policy is to limit cash holdings to instruments issued by major Canadian and Mexican banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating accounts payable and accrued liabilities, due to related party and loan payable requirements. The Company did not maintain sufficient cash balances to meet these needs at March 31, 2023.

Foreign Exchange Risk

The Company has foreign exchange risk due to its activities carried out in Mexico. At March 31, 2023, the Company had \$1,632 (2022 - \$24,104) in current assets and \$3,719,480 (2022 - \$2,704,466) in current liabilities originating in Mexico.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

During the years ended March 31, 2023 and 2022, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

The Company does not have any financial instruments classified at fair value as at March 31, 2023.

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

11) CAPITAL MANAGEMENT

The Company's primary objective for managing its capital structure is to maintain financial capacity for the purpose of sustaining the future development of the business and maintaining investor, creditor and market confidence.

The Company considers its capital structure to include shareholders' equity and working capital. Management is continually monitoring changes in economic conditions and the risk characteristics of the underlying mineral property industry. In the event that adjustments to the capital structure are necessary, the Company may consider issuing additional equity, raising debt or revising its capital investment programs.

The Company's share capital is not subject to any external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any currently contemplated. There have been no changes to the Company's approach to capital management during the period.

12) INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	2023	2022
	\$	\$
Net loss for the year before tax	(1,196,571)	(799,011)
Expected income tax recovery	(324,000)	(213,000)
Net adjustment for deductible and non-deductible amounts	36,000	47,000
Unrecognized benefit of current non-capital loss	288,000	166,000
Total income tax recovery	-	-

The significant components of the Company's deferred income tax assets (liabilities) are as follows:

	2023	2022
	\$	\$
Deferred income tax assets:		
Exploration and evaluation asset carrying amounts in excess of tax pools	(399,000)	(384,000)
Share issue costs and other	5,000	5,000
Non-capital loss carryforwards	3,321,000	3,016,000
	2,927,000	2,637,000
Valuation allowance	(2,927,000)	(2,637,000)
Net deferred income tax assets	-	-

As at March 31, 2023, the Company has Canadian non-capital losses carried forward of approximately \$10,570,000 (2022 - \$9,438,000). These losses are available to be utilized as deductions against future years' Canadian taxable income from Canadian operations and expire between the 2025 and 2042 years. Foreign non-capital losses and potential other foreign income tax pools are currently being substantiated.

GALORE RESOURCES INC.

Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

13) COMMITMENTS

On September 1, 2016, the Company entered into a management services agreement with the company's Chief Financial Officer ("CFO") to provide services at a rate of CDN \$5,000 per month. These fees shall be accrued until sufficient funds are available to the Company for payment and will be recorded on the Company's books as an accounts payable. Payment of accrued fees shall be upon the recommendation of the Compensation and Corporate Governance Committee, acting reasonably, to the Board of Directors. On September 1, 2017, the agreement with the CFO was amended such that the rate was increased to USD \$7,000 per month. On January 1, 2022, the compensation committee approved a rate increase to USD \$9,000 per month and the agreement was amended to reflect the change effective immediately.

Additionally, under the amended agreement, if there is a sale, lease or exchange of all or substantially all of the property of the Company to another person or entity, other than in the ordinary course of business of the Company, or there is deemed to be a change of control, which means acquiring an interest in the Company's shares conferring 50% or more of the votes entitling the purchaser to elect the board of directors of the Company, either of which constitutes a "Transaction", the CFO will be entitled to receive at the time of closing of the Transaction any accrued fees as well as the yearly amount (12 months equaling USD \$108,000) of the fee for each year of service provided to the Company since January 2015.

The CFO will also be entitled to receive at the time of closing of the Transaction, five-hundred thousand (500,000) common shares of the Company for every year (September 2015 to September 2016) that he did not receive any compensation for services performed due to the financial condition of the business.

On September 1, 2016, the Company entered into a management services agreement with the company's Chief Executive Officer ("CEO") to provide services at a rate of CDN \$12,000 per month. These fees shall be accrued until sufficient funds are available to the Company for payment and will be recorded on the Company's books as an accounts payable. Payment of accrued fees shall be upon the recommendation of the Compensation and Corporate Governance Committee, acting reasonably, to the Board of Directors. On September 1, 2017, the agreement was amended and services will be provided to the Company at a rate of USD \$12,000 per month. On January 1, 2022, the compensation committee approved a rate increase to USD \$18,000 per month and the agreement was amended to reflect the change effective immediately.

Additionally, under the amended agreement, if there is a sale, lease or exchange of all or substantially all of the property of the Company to another person or entity, other than in the ordinary course of business of the Company, or there is deemed to be a change of control, which means acquiring an interest in the Company's shares conferring 50% or more of the votes entitling the purchaser to elect the board of directors of the Company, either of which constitutes a "Transaction", the CEO will be entitled to receive at the time of closing of the Transaction any accrued fees as well as the yearly amount (12 months equaling USD \$216,000) of the fee for each year of service the CEO provided to the Company since July 2012. The CEO will also be entitled to receive at the time of closing of the Transaction, one (1) million common shares of Galore for every year (July 2012 to July 2016) that he did not receive any compensation for services performed due to the financial condition of the business.

The Company has an agreement to pay consulting fees to a related party company owned by the Company's Corporate Secretary ("SEC"), billed at an hourly rate on an as needed basis. Three months' notice is required to terminate the applicable agreement, meaning the Company is committed to paying three months' fees at any time prior to giving notice of termination.

Additionally, if there is a sale, lease or exchange of all or substantially all of the property of the Company to another person or entity, other than in the ordinary course of business of the Company, or there is deemed to be a change of control, which means acquiring an interest in the Company's shares conferring 50% or more of the votes entitling the purchaser to elect the board of directors of the Company, either of which constitutes a "Transaction", SEC will be entitled to receive at the time of closing of the Transaction all outstanding amounts due and payable for past services, plus an amount of compensation equal to \$2,500 for each year of service SEC provided to the Company since 2007.