INTACT GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

Contents

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Intact Gold Corp.

Opinion

We have audited the consolidated financial statements of Intact Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity (deficiency) and consolidated statements of 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, 2024 and 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other 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.

Key Audit Matters

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

Except for the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined that there are no other key audit matters to communicate in our report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the 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. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 IFRSs, 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.

Auditor's Responsibilities for the Audit of the Consolidated financial statements (continued)

- 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 Rhéal Brunet, CPA auditor.

Brunet Roy Dubé, CPA S.E.N.C.R.L.[1]

Montreal,
July 26, 2024

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[1]by CPA auditor, public accountancy permit No. A108047

INTACT GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at	**March 31, 2024**	March 31, 2023
	$	$
ASSETS		
CURRENT ASSETS		
Cash	**7,630**	490
Taxes receivable	**1,347**	6,271
Prepaid expenses (Note 5)	**13,567**	1,586
Investment (Note 6)	**6,563**	15,313
	29,107	23,660
Exploration and evaluation property interests (Note 7)	**686,750**	688,237
	715,857	711,897
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 8,13)	**687,071**	484,239
Loans payable (Note 9)	**173,575**	144,366
	860,646	628,605
NON-CURRENT LIABILITIES		
Loans payable (Note 9)	**55,384**	-
	916,030	628,605
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 10)	**5,611,631**	5,611,631
Deficit	**(5,811,804)**	(5,528,339)
	(200,173)	83,292
	715,857	711,897

Nature and continuance of operations (Note 1)
Proposed business combination (Note 16)

Approved and authorized by the Board on July 26, 2024.

On Behalf of the Board:

"Harp Grewal" — Harp Grewal, Director

"Ron Coulson" — Ron Coulson, Director

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

INTACT GOLD CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

For the years ended March 31,		**2024**		2023
ADMINISTRATIVE EXPENSES				
Filing and transfer agent fees	**$**	**6,490**	$	5,421
Interest on loans payable (Note 9)		**14,593**		7,349
Management and director fees (Note 13)		**21,000**		21,000
Office and miscellaneous		**40,280**		49,580
Professional fees (Note 13)		**148,942**		179,168
		(231,305)		(262,518)
OTHER ITEMS				
Interest income		**119**		821
Income tax refund		**-**		26,883
Unrealized loss on investment (Note 6)		**(8,750)**		(6,562)
Gain on accounts payable write-off (Note 8)		**10,558**		850
Impairment loss on exploration and evaluation property (Note 7)		**(54,087)**		-
		(52,160)		21,992
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	**$**	**(283,465)**	$	(240,526)
Basic and diluted loss per common share (Note 11)	**$**	**(0.02)**	$	(0.01)
Weighted average common shares outstanding		**18,182,651**		18,182,651

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

INTACT GOLD CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Share Capital			
	Number	**Amount**	**Deficit**	**Total**
		$	**$**	**$**
Balance as at March 31, 2022	18,182,651	5,611,631	(5,287,813)	323,818
Loss and comprehensive loss for the year	-	-	(240,526)	(240,526)
Balance as at March 31, 2023	18,182,651	5,611,631	(5,528,339)	83,292
Loss and comprehensive loss for the year	-	-	(283,465)	(283,465)
Balance as at March 31, 2024	**18,182,651**	**5,611,631**	**(5,811,804)**	**(200,173)**

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

INTACT GOLD CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

For the years ended March 31,	2024	2023
	$	$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss and comprehensive loss for the year	**(283,465)**	(240,526)
Adjustments for non-cash items:		
Interest on loans payable	**14,593**	7,349
Unrealized loss on investment	**8,750**	6,562
Gain on accounts payable written-off	**(10,558)**	(850)
Impairment loss on exploration and evaluation property	**54,087**	-
Changes in non-cash operating working capital items:		
Taxes receivable	**4,924**	1,567
Prepaid expenses	**(11,981)**	(281)
Accounts payable and accrued liabilities	**213,390**	221,664
	(10,260)	(4,515)
CASH FLOWS USED IN INVESTING ACTIVITY		
Exploration and evaluation property expenditures	**(52,600)**	(50,000)
	(52,600)	(50,000)
CASH FLOWS PROVIDED BY FINANCING ACTIVITY		
Loans received	**70,000**	53,000
	70,000	53,000
CHANGE IN CASH	**7,140**	(1,515)
CASH, BEGINNING OF YEAR	**490**	2,005
CASH, END OF YEAR	**7,630**	490

Additional information		
Interest received on government receivable	119	821

Supplemental disclosures with respect to cash flows (Note 12)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Nature of operations

Intact Gold Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on April 3, 2007. The Company's business is to acquire and explore interests in mining projects.

The Company's head office and principal address is 400 - 837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6. The Company's registered and records office is located at 400 - 837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6. Its shares are trading on TSX Venture Stock Exchange on symbol ITG. On October 18, 2022, the Company's listing transferred to the NEX, the Company's tier classification changed from Tier 2 to the NEX. The trading symbol for the Company changed from ITG to ITG.H.

Going concern

The Company's mineral property is at the exploration stage and is without a known body of commercial ore. The business of exploring for minerals and mining involves a high degree of risk. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The amounts shown as exploration and evaluation property interests represent acquisition, holding and deferred exploration costs and do not necessarily represent present or future recoverable values. The recoverability of the amounts shown for exploration and evaluation property interests is dependent upon the Company obtaining the necessary financing to complete the exploration and development of the properties, the discovery of economically recoverable reserves and future profitable operations.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2024, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. The Company may require additional financing for the upcoming fiscal year in order to maintain its operations and exploration activities and there are no assurances that the Company will be successful in raising additional capital on commercially reasonable terms or at all. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with current cash on hand and further private placements, if available. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. MATERIAL ACCOUNTING POLICIES

Statement of compliance

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

These consolidated financial statements of the Company for the year ended March 31, 2024 were approved and authorized for issue by the Board of Directors on July 26, 2024.

Basis of preparation

These consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. These consolidated financial statements are presented in Canadian dollars unless otherwise noted.

2. MATERIAL ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar and was determined through an analysis of the consideration factors identified in International Accounting Standards ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates.*

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary). Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company's returns.

These consolidated financial statements include the financial statements of the Company and its significant subsidiary listed in the table below:

Name	Functional Currency	Country of Incorporation	Incorporation Date	% equity interest as at March 31, 2024
1405880 B.C. Ltd. (Inactive)	CAD	Canada	March 16, 2023	100%

All inter-company balances and transactions have been eliminated on consolidation.

The reporting currency of the Company and its subsidiary is the Canadian Dollar.

Cash

Cash in the consolidated statements of financial position is comprised of cash held at major financial institutions which are readily convertible into a known amount of cash. The Company's cash is invested in business accounts which are readily available on demand by the Company.

Exploration and evaluation property interests

i. Pre-license expenditures

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

ii. Exploration and evaluation expenditures

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets ("E&E") according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and or probable mineral reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity.

2. MATERIAL ACCOUNTING POLICIES (continued)

Exploration and evaluation property interests (continued)

ii. Exploration and evaluation expenditures (continued)

When this is no longer the case, impairment costs are charged to exploration and evaluation expense. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

The Company has not established any NI 43-101 compliant proven or probable reserves on any of its mining properties which have been determined to be economically viable.

iii. Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. 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 between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be 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 the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

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

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation property interests along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

2. MATERIAL ACCOUNTING POLICIES (continued)

Restoration and environmental obligations (continued)

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in amount and timing of the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

As at March 31, 2024 and 2023, there were no significant restoration and environmental obligations.

Income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where applicable.

Deferred tax is provided using the statement of financial position method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss).

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, investor or venturer and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused income tax credits and any unused income tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused income tax credits and unused income tax losses can be utilized.

Share capital

Financial instruments issued by the Company are classified as shareholders' equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, and options are classified as equity instruments.

2. MATERIAL ACCOUNTING POLICIES (continued)

Share capital (continued)

Share capital and warrants

Common shares and warrants are classified in equity. Issue costs that are directly attributable to the issuance of shares and warrants are recognized in equity as a deduction from the issue proceeds during the period when these transactions occur.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing price on the issuance date. The excess, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded to warrant equity. The Company transfers the value of expired unexercised warrants to contributed surplus from warrant equity.

If the warrant is exercised, the value attributed to the warrant is recorded to share capital.

Flow-through placements

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into (i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and (ii) share capital. Upon qualifying expenses being incurred, the Company derecognizes the liability on a pro-rata basis and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through share proceeds.

The Company may also be subjected to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Contributed surplus

Contributed surplus includes, among other things, charges related to stock options expenses until the exercise of these options.

Share-based compensation

The Company operates an employee stock option plan. Share-based compensation to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that 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 corresponding amount is recorded to the contributed surplus under stock option. The fair value of options is determined using a Black-Scholes option pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end

2. MATERIAL ACCOUNTING POLICIES (continued)

Share-based compensation (continued)

of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The Company keep the value of cancelled stock options or expired unexercised vested stock options to contributed surplus on the date of cancellation or expiration. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus on the options granted is transferred to share capital.

Loss per share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of shares outstanding during the reporting year. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows classification of its financial instruments:

Financial assets/liabilities	Classification
Cash	Amortized cost
Investment	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the consolidated statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of loss in the period in which they arise.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

<u>Financial assets</u>
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

<u>Financial liabilities</u>
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss.

Option agreement on mining properties

Options on interests in mining properties acquired by the Company are recorded at the value of disbursed cash consideration, including any economic benefit transferred, but excluding future spending commitment. Since the commitment of future expenditures does not meet the definition of a liability, it is not recognized. Expenditures are recorded only when they are incurred by the Company.

When the Company sells its interests in mineral properties, it uses the book value of the property before the sale of the option as part of the carrying value of the property and credits any monetary consideration received and the fair value of other financial assets against the carrying value of this property. Any surplus is recorded as net income in the statements of loss and comprehensive loss.

Provisions, contingent liabilities and contingent assets

A present obligation arises from the presence of legal or constructive commitment that has resulted from past events, such as legal disputes, liabilities related to decommissioning, restoration and similar liabilities or onerous contracts. The evaluation of provisions corresponds to the estimated expenditures required to settle the present obligation, based on the most reliable evidence available at the date of presentation of financial information, including risks and uncertainties relating to the obligation. When there is a large number of similar obligations, the likelihood that an outflow of resources will be required to settle these obligations is determined by considering the class of obligations as a whole. Provisions are discounted when the time value of money is significant. Any reimbursement that the Company can be virtually certain to collect from a third party to the obligation is recognized as a separate asset.

2. MATERIAL ACCOUNTING POLICIES (continued)

Provisions, contingent liabilities and contingent assets (continued)

However, this asset should not exceed the amount of the related provision. Provisions are reviewed at each reporting date for financial information and adjusted to reflect current best estimates at that date. When a possible outflow of resources of economic benefits as a result from present obligations is considered either improbable or a low probability is determined, no liability is recorded unless it was assumed in the course of a business combination. In a business combination, contingent liabilities related to a present obligation is recognized in the allocation of the purchase price of the assets acquired and liabilities are assumed as part of the business combination. They are subsequently measured at the highest amount of a comparable provision, as described above, and the amount initially recognized, net of depreciation.

Entries that are probable economic benefits to the Company that do not yet meet the recognition criteria of an asset are treated as contingent assets. The Company's operations are governed by laws and government regulations concerning environmental protection. The environmental consequences are difficult to identify, whether the amounts are based on timing or outcome. The Company currently operates in accordance with the laws and regulations currently in force. Any payment that may result from the restoration of mining properties, if any, will be recorded in cost of mining properties when it will be possible to make a reasonable estimate.

Government grants

Grants from governments are recognized as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants that become receivable as compensation for expenses incurred shall be recognized in profit and loss of the period in which it becomes receivable and presented under “Other items”. The junior mining exploration assistance programs are designed to assist the Company to conduct advanced mining exploration.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about assumptions, critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

The application of the Company’s accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written-off in the profit or loss in the period the new information becomes available.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Economic recoverability and probability of future economic benefits of exploration and evaluation assets (continued)

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits, including geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases (Note 2).

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating unit must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale of the property when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and the renewal of permits. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amounts capitalized are written-off in profit or loss in the period in which the new information becomes available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Going concern

The Company is a going concern and will continue in operation for the foreseeable future and at least one year. The factors considered by management are disclosed in Note 1.

Provisions and contingent liabilities

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

4. APPLICATION OF NEW AND REVISED IFRS

New and revised standards that are effective

The application of these amendments had no impact on the Company's loss or financial position:

IAS 1 – Presentation of Financial Statements

This standard has been revised to incorporate amendments issued by the IASB in February 2021 to require entity to disclose material accounting policies information rather than significant account policies.

IAS 8 – Definition of Accounting Estimates – Amendments

This standard Accounting Policies, Changes in Accounting Estimates and Errors has been revised to incorporate amendments issued by the IASB in February 2021. The amendments introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates.

IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in May 2021. The amendments clarify the accounting for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in IAS 12 no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been issued but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the applied pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's consolidated financial statements is provided below. The Company is currently analyzing the possible impact of this standard on its consolidated financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

This standard which will replace IAS 1, *Presentation of Financial Statements* aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Earlier application is permitted.

IAS 1 - Presentation of Financial Statements

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

(Expressed in Canadian Dollars)

5. PREPAID EXPENSES

The following table shows the breakdown of the Company's prepaid expenses as of March 31, 2024 and 2023:

	March 31, 2024	March 31, 2023
	$	$
Exploration expenses	**13,567**	-
Insurance	**-**	1,586
Total prepaid expenses	**13,567**	1,586

6. INVESTMENT

The following table shows the movement of the Company's investment as at March 31, 2024 and 2023:

	Green Battery Minerals Inc.
	$
Balance as at March 31, 2022	21,875
Change in market value	(6,562)
Balance as at March 31, 2023	15,313
Change in market value	(8,750)
Balance as at March 31, 2024	**6,563**

On April 18, 2019, Green Battery Minerals Inc. ("Green Battery") has exercised its right to buy back the 2.5% interest in the Lac Gueret South graphite property. As a result of the exercised rights, Green Battery has issued to the Company 218,750 (post-consolidated) units valued at $61,250. Each unit entitle the Company to receive one share and one-half of a common share purchase warrant of Green Battery at an exercise price of $0.15 and an expiring date of April 18, 2021.

During the year ended March 31, 2024, the market value of the investment decreased and an unrealized loss of $8,750 (2023 - $6,562) was recognized in the consolidated financial statements of loss and comprehensive loss.

As at March 31, 2024, the Company held 0.25% of Green Battery's issued shares.

7. EXPLORATION AND EVALUATION PROPERTY INTERESTS

Title to mineral properties

Title to mineral property interests 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 conveyance history characteristic of many mineral property interests. The Company has investigated title to all of its mineral property interests and to the best of management's knowledge, title to all of its properties are in good standing and free of material defect.

Belle Terre

Formerly Belleterre Extreme East Property and Ortona Property

On May 9, 2016, the Company entered an agreement with Caprock Ventures Corp ("Caprock"). Pursuant to the terms of the agreement, the Company may acquire under conditions a 100% interest in the Belleterre Extreme East Property and the Ortona Property located in Quebec, Canada.

By way of consideration, the Company made cash payments totaling $25,000 and issued 150,000 shares valued at $120,000. An additional 50,000 shares may be issued to Caprock if certain targets are met. The requirement of

7. EXPLORATION AND EVALUATION PROPERTY INTERESTS (continued)

Belle Terre (continued)

Formerly Belleterre Extreme East Property and Ortona Property (continued)

occurring exploration expenditures of $500,000 by December 31, 2019 was not met. The properties are subject to a 0.5% NSR on future gold production, which includes advance royalty payments of $25,000 annually beginning on December 31, 2020. The Company has the option to repurchase 0.5% of the NSR for a payment of $500,000 to Caprock at any time.

The original vendors of the properties also retain NSRs (1% NSR on the Ortona Property, which may be repurchased for $1,000,000, and 3.5% NSR on the Belleterre Extreme East Property, whereby the Company may repurchase the first 2% for $1,000,000 and the remaining 1.5% for $750,000 at any time).

During the year ended March 31, 2019, the seven claims for Belleterre Extreme East Property have expired, and consequently a write-off of $159,635 was recognized.

During the year ended March 31, 2020, the Company rename these properties, Belle Terre property.

Formerly Guillet Property

On April 18, 2016, the Company entered into an agreement whereby Caprock has granted the Company the option to acquire an undivided 100% interest under conditions in certain mineral claims (the “Guillet Property” or the “Property”), located near the town of Belleterre, Temiscamingue, Quebec.

The Company paid to Caprock an aggregate amount of $50,000 and issued 100,000 shares valued at $160,000. The requirement of occurring $500,000 in exploration expenditures by December 31, 2019 was not met. The property is subject to a 0.5% NSR on future gold production, which includes advance royalty payments of $25,000 annually beginning on December 31, 2020. The Company has the option to repurchase 0.5% of the NSR for payment of $500,000 to Caprock at any time.

The original vendors of the property will retain a 3.5% NSR on the Guillet Property. The Company has the right to repurchase the first 1% for $1,000,000, the second 1% for $1,500,000 and the third 1% for $2,000,000 at any time.

During the year ended March 31, 2019, the claims for Guillet Property expired, and consequently a write-off of $210,000 was recognized.

During the year ended March 31, 2020, the Company re-staked some claims of this previous property and included these claims under the new Belle Terre property.

Company’s intent

The management decide to preserve the agreement with Caprock although some targets have not been met. Consequently, as at March 31, 2021, the Company paid advance royalty of $50,000 and anticipates to make this annually payment until the agreement are terminated or a total of $500,000 are paid. As at March 31, 2024, the Company accrued royalty payment of $150,000 (2023 - $100,000).

Gold Hill - Blackjack Property

On February 3, 2016, the Company entered into an agreement with King’s Bay Gold Corporation to acquire under conditions an undivided 100% interest in and to certain mineral claims (collectively, the “Gold Hill - Blackjack Property”), located in the Kenora Mining Division of Ontario.

7. EXPLORATION AND EVALUATION PROPERTY INTERESTS (continued)

Gold Hill - Blackjack Property (continued)

As per property acquisition agreement, the consideration paid by the Company comprised the payment of $10,000 upon TSX-V approval, the issuance of 20,000 common shares within 10 days of TSX-V approval, and the issuance of 20,000 warrants exercisable at $1.725 over a period of two years. During the year ended March 31, 2017, the Company made the payment and issued the shares and warrants. These shares and warrants were valued at $20,000 and $10,910, respectively.

An NSR of 2% is payable on future gold production whereby the Company can buy back one half of the NSR at any time by paying $1,000,000 to the original vendors.

The Company entered into an option agreement on May 9, 2017 with Westridge Resources Inc. (“Westridge”), a B.C. company, to option out a 100% right, title and interest in Blackjack gold property.

Under the terms of the agreement, the Company irrevocably grants to Westridge the sole and exclusive right and option to acquire a 100% right, title and interest in the property, free of all encumbrances, on the following terms:

Westridge will pay the Company up to $155,000 in cash on the following schedule:

(i) $50,000 upon the effective date of this agreement; (received)
(ii) $5,000 after 12 months; and
(iii) $50,000 every 12 months thereafter for two years.

Westridge will issue to the Company up to 100,000 common shares in the capital of Westridge on the following schedule:

(i) 50,000 common shares 12 months after the effective date of this agreement; and
(ii) 50,000 common shares every 12 months thereafter for two years.

In May 2018, Westridge failed to issue shares and make payment as per schedule. Since then, the Company considered this option agreement as terminated. The Company still owns 100 % right, title and interest in Blackjack Gold property (20 claims).

Little Phoenix Property

On December 27, 2018, the Company acquired, by map staking, the Little Phoenix 2 claims located in British Columbia, Canada.

During the year ended March 31, 2024, the Company did not renew one claim and recognized impairment loss of $54,087 (2023 - $Nil) in the consolidated statement of loss and comprehensive loss.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION PROPERTY INTERESTS (continued)

Expenditures related to the Company's exploration and evaluation property interests are as follows:

	Belle Terre Property	Gold Hill - Blackjack Property	Little Phoenix Property	Total
	$	$	$	$
Balance as at March 31, 2022	493,929	36,134	108,174	638,237
Advance royalty	50,000	-	-	50,000
Balance as at March 31, 2023	**543,929**	**36,134**	**108,174**	**688,237**
Acquisition cost	2,600	-	-	2,600
Advance royalty	50,000	-	-	50,000
Impairment	-	-	(54,087)	(54,087)
Balance as at March 31, 2024	**596,529**	**36,134**	**54,087**	**686,750**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The following table shows the breakdown of the Company's accounts payable and accrued liabilities as of March 31, 2024 and 2023:

	March 31, 2024	March 31, 2023
	$	$
Accounts payable (Note 13)	**265,119**	211,287
Accrued liabilities	**421,952**	272,952
Total	**687,071**	484,239

During the year ended March 31, 2024, the Company has written off an account payable of $10,558 (2023 - $850).

9. LOANS PAYABLE

The following table summarizes the outstanding balance and changes in loans payable during the years March 31, 2024 and 2023:

	March 31, 2024	March 31, 2023
	$	$
Beginning	**144,366**	62,538
Addition	**70,000**	74,479
Accrued interest	**14,593**	7,349
	228,959	144,366
Non-current portion of loans payable	**55,384**	-
Current loans payable	**173,575**	144,366

During the year ended March 31, 2022, the Company received two loans amounting to $60,000 from a third party. $50,000 of the loan bears an interest at an annual rate of 8%. The second loan amounting to $10,000 bears an interest at an annual rate of 7%. Both loans are unsecured. The principal amounts and accrued interests became due for repayment on August 24, 2022 and January 18, 2023, respectively. On January 11, 2023, the Company received an additional loan amounting to $2,500 bearing an annual interest rate of $10%. The loan is unsecured, and the principal and interests became due for repayment on January 11, 2024. During the year ended March 31, 2024, the Company

9. LOANS PAYABLE (continued)

accrued $4,964 (2023 - $4,754) in interest. As at March 31, 2024, the outstanding balance of the loan including accrued interest was $74,756 (2023 - $69,792). No repayment was made as at March 31, 2024.

On June 28, 2022, the Company received a loan of $48,000 from a third party. The loan is unsecured, bears interest at 7% per annum, and principal and interest are payable within one year. On January 11, 2023, the Company received an additional loan amounting to $2,500 bearing an annual interest rate of $10%. The loan is unsecured, and the principal and interests are payable within one year. During the year ended March 31, 2024, the Company accrued $3,620 (2023 - $2,595) in interest. As at March 31, 2024, the outstanding balance of the loan including accrued interest was $56,715 (2023 - $53,095).

On March 28, 2023, a third party paid an accounts payable amounting to $21,479. The Company recorded the payment as a non-interest-bearing loan. As at March 31, 2024, no repayment on the loan was made.

On July 13, 2023, the Company received a loan of $50,000 from a third party. The loan is unsecured, bears interest at 15% per annum, and principal and interest are payable on July 13, 2025. During the year ended March 31, 2024, the Company accrued $5,384 (2023 - $Nil) in interest. As at March 31, 2024, the outstanding balance of the loan including accrued interest was $55,384 (2023 - $Nil). This loan is presented as a non-current liability since it is due in more than a year.

On January 15, 2024, the Company received a loan of $20,000 from a third party. The loan is unsecured, bears interest at 15% per annum, and principal and interest are payable within one year. During the year ended March 31, 2024, the Company accrued $625 (2023 - $Nil) in interest. As at March 31, 2024, the outstanding balance of the loan including interest was $20,625 (2023 - $Nil).

10. SHARE CAPITAL

Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued share capital

There were no shares issued during the years ended March 31, 2024 and 2023.

Share purchase warrants

There were no share purchase warrants outstanding as at March 31, 2024 and 2023.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares.

There were no stock options outstanding as at March 31, 2024 and 2023.

11. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the year. In calculating the diluted earnings per share, dilutive potential ordinary shares such as warrants and share options have not been included as they would have the effect of decreasing the loss per

(Expressed in Canadian Dollars)

11. BASIC AND DILUTED LOSS PER SHARE (continued)

share. Decreasing the loss per share would be anti-dilutive. Details of warrants and share options issued that could potentially dilute earnings per share in the future are given in Note 10.

The calculation of basic and diluted loss per share for the year ended March 31, 2024 was based on the loss attributable to common shareholders of $283,465 (2023 - $240,526) and the weighted average number of common shares outstanding of 18,182,651 (2023 - 18,182,651).

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the year ended March 31, 2024, there was no significant non-cash transactions that affected cash flows from operating, investing and financing activities.

Item not affecting cash and cash equivalents in the year ended March 31, 2023:

	March 31, 2023 $
Account payable paid by a loan to a third party	21,479

13. RELATED PARTY TRANSACTIONS

Income statement

During the years ended March 31, 2024 and 2023, the Company entered into the following transactions with key management personnel (senior officers and directors) and controlled entities, not disclosed elsewhere in these consolidated financial statements:

a) Paid or accrued management fees of $12,000 (2023 - $12,000) to the directors of the Company.
b) Paid or accrued management fees of $6,000 (2023 - $6,000) to the CEO and director of the Company.
c) Paid or accrued management fees of $3,000 (2023 - $3,000) to a company controlled by the CFO of the Company.
d) Paid or accrued professional fees of $96,000 (2023 - $116,000) to a company controlled by the CFO of the Company.

Financial position statement

As at March 31, 2024, accounts payable and accrued liabilities include $252,288 (2023 - $161,638) due to a company controlled by the CFO, to the directors, and to the CEO and director of the Company. The amounts are non-interest bearing and unsecured, with no fixed terms of repayment.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

The fair value of the Company’s cash, accounts payable and accrued liabilities, and loans payable approximate their carrying values. The Company’s investment is measured at fair value using Level 1 inputs.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

(a) Credit risk:

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

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities and loans payable are due within the current operating period.

The Company's liquidity risk from financial instruments is its need to meet accounts payable and accrued liabilities and loans payable. The Company will require additional financing for the upcoming financial year in order to maintain its operations and satisfy its liabilities.

(c) Market risk:

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

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its fixed interest rate financial instruments. Fixed-rate instruments subject the Company to a fair value risk. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

ii) Other price risk

The Company is exposed to other price risk through its investment in quoted shares for which the value fluctuates with the quoted market price.

15. CAPITAL DISCLOSURE AND MANAGEMENT

The Company considers its capital structure to include the components of shareholders' equity (deficit) therefore ($200,173) compared to $83,292 as at March 31, 2023, a decrease of $283,465 during the year. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is currently unable to self-finance its operations.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

(Expressed in Canadian Dollars)

15. CAPITAL DISCLOSURE AND MANAGEMENT (continued)

The Company's share capital is not subject to any external restrictions and the Company did not change its approach to capital management during the year.

16. PROPOSED BUSINESS COMBINATION

On March 28, 2023, the Company entered into a legally binding agreement with 1281617 B.C. Ltd. ("Helium"), whereby the Company will purchase all of the issued and outstanding shares of Helium in exchange for 22,000,000 common shares of the Company. The transaction will be affected by way of a statutory amalgamation between Helium and a newly formed wholly owned subsidiary of the Company and is subject to a number of conditions including receipt of all necessary shareholder and regulatory approvals, as well as the completion of an equity financing in an amount not less than $2,000,000, the terms of which will be announced prior to closing of the transaction.

Helium operates in the helium exploration and potential helium extraction industry. Helium holds rights to the Mankota Helium Property and Battle Creek Helium Property in Saskatchewan, Canada, and they are early-stage exploration properties. The principal product and service of the business revolve around identifying, evaluating, and potentially extracting helium resources. As at July 26, 2024, the transaction was not yet completed.

17. INCOME TAXES AND DEFERRED TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	March 31, 2024	March 31, 2023
	$	$
Loss before income taxes	**(283,465)**	(240,526)
Combined Canadian federal and provincial statutory rate	27%	27%
Expected income tax recovery at statutory tax rates	**(77,000)**	(64,900)
Unrealized loss on investment	**2,400**	1,800
Share issuance costs	**-**	(6,500)
Change in unrecognized deductible temporary differences	**60,000**	69,600
Impairment loss on exploration and evaluation property	**14,600**	-
Total deferred taxes	-	-

The significant components of temporary differences, unused tax losses and unused tax credits that have not been included on the consolidated statements of financial position are as follows:

	March 31, 2024	**Expiry dates**	March 31, 2023
	$		$
Equipment	**-**	No expiry	100
Exploration and evaluation assets	**194,000**	No expiry	48,800
Investment tax credit	**4,000**	2034	4,000
Non-capital losses	**5,389,800**	2034 to 2044	5,230,100
	5,587,800		5,283,000

Given the combined federal and provincial future tax rate of 27% (2023 - 27%), the important components of deferred tax assets and liabilities are as follows:

(Expressed in Canadian Dollars)

17. INCOME TAXES AND DEFERRED TAXES (continued)

	March 31, 2023	Recognized in profit	Recognized directly in equity	**March 31, 2024**
	$	$	$	**$**
Deferred tax assets (liabilities)				
Non-capital losses carried forwards	1,412,132	43,124	-	**1,455,256**
Equipment	30	(15)	-	**15**
Exploration and evaluation assets	13,173	39,227	-	**52,400**
	1,425,335	82,336	-	**1,507,671**
Less: Unrecognized tax benefits	(1,425,335)	(82,336)	-	**(1,507,671)**
Deferred tax assets	-	-	-	**-**

	March 31, 2022	Recognized in profit	Recognized directly in equity	March 31, 2023
	$	$	$	$
Deferred tax assets (liabilities)				
Non-capital losses carried forwards	1,351,532	60,600	-	1,412,132
Share issue costs	6,496	-	(6,496)	-
Equipment	43	(13)	-	30
Exploration and evaluation assets	13,173	-	-	13,173
	1,371,244	60,587	(6,496)	1,425,335
Less: Unrecognized tax benefits	(1,371,244)	(60,587)	6,496	(1,425,335)
Deferred tax assets	-	-	-	-

18. CONTINGENCIES

During the year ended March 31, 2024, the Company cancelled its directors and officers insurance policy liability which allowed reducing the various risks inherent to the Company's activities.