

SKRR EXPLORATION INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE MONTHS ENDED JANUARY 31, 2024

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

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

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

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

SKRR EXPLORATION INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	As at January 31, 2024 (audited) \$	As at April 30, 2023 (audited) \$
ASSETS		
Current assets		
Cash	781,274	1,035,498
GST receivables	16,643	110,026
Other receivable (Note 5)	-	75,000
Short-term investment (Note 4)	487,050	556,600
Prepaid expenses	71,531	34,539
Total current assets	<u>1,356,498</u>	<u>1,811,663</u>
Exploration and evaluation asset (Notes 5 and 7)	<u>4,442,370</u>	<u>4,065,486</u>
Total assets	<u>5,798,868</u>	<u>5,877,149</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	114,065	77,563
Equity		
Capital stock (Note 6)	17,049,662	16,632,507
Reserves (Note 6)	1,117,950	1,112,980
Deficit	<u>(12,482,809)</u>	<u>(11,945,901)</u>
Total equity	<u>5,684,803</u>	<u>5,799,586</u>
Total liabilities and equity	<u>5,798,868</u>	<u>5,877,149</u>

Nature and continuance of operations (Note 1)
Subsequent events (Note 11)

Approved and authorized on March 28, 2024 on behalf of the Board:

“SHERMAN DAHL”
Director

“IAIN BUTLER”
Director

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

SKRR EXPLORATION INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars - Unaudited)

	For the three months ended January 31, 2024	For three months ended January 31, 2023	For the nine months ended January 31, 2024	For nine months ended January 31, 2023
	\$	\$	\$	\$
EXPENSES				
Consulting fees (Note 7)	42,500	17,390	75,000	111,307
Filing fees	8,095	5,462	33,112	21,355
Investor relations and marketing	1,520	8,918	126,700	79,277
Office and administration (Note 7)	38,250	14,496	84,497	37,927
Professional fees (Note 7)	61,004	44,698	171,497	127,567
Property investigation expense (recovery)	11,650	-	3,348	2,049
Stock-based compensation (Notes 6 and 7)	-	-	-	-
LOSS BEFORE OTHER ITEMS	(163,019)	(90,964)	(494,154)	(379,482)
Government grant	-	-	-	50,000
Realized gain (loss) on sale of short-term investment Note 4)	3,681	-	3,681	-
Unrealized gain (loss) on short-term investment (Note 4)	(116,306)	(82,500)	(46,435)	(287,500)
Net and comprehensive income (loss) for the period	(275,644)	(174,464)	(536,908)	(616,982)
 Basic income (loss) per common share	 \$ (0.02)	 \$ (0.01)	 \$ (0.02)	 \$ (0.05)
 Diluted income (loss) per common share	 \$ (0.02)	 \$ (0.01)	 \$ (0.02)	 \$ (0.05)
 Weighted average number of common shares outstanding – basic (2022, after share consolidation)	 15,453,786	 14,115,340	 15,251,508	 13,838,997
Weighted average number of common shares outstanding –diluted (2022, after share consolidation)	15,453,786	14,115,340	15,251,508	13,838,997

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

SKRR EXPLORATION INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars - Unaudited)

	Capital stock				
	Shares	Amount	Reserves	Deficit	Total equity
		\$	\$	\$	\$
Balance, April 30, 2022	9,372,003	14,565,842	961,455	(7,079,914)	8,447,383
Private placement, gross	3,900,791	229,502	-	-	229,502
Finders fees and share issuance costs- cash	-	(13,802)	-	-	(13,802)
Finders fees - warrants	-	(1,000)	1,000	-	-
Shares issued for mineral property	3,000,000	165,000	-	-	165,000
Net loss and comprehensive loss for the period	-	-	-	(616,982)	(616,982)
Balance, January 31, 2023	70,576,702	16,618,456	1,062,980	(8,522,993)	9,158,443
Balance, April 30, 2023	14,255,340	16,632,507	1,112,980	(11,945,901)	5,799,586
Private placement, gross	1,131,700	155,004	-	-	155,004
Finders fees and share issuance costs - cash	-	(11,529)	-	-	(11,529)
Finders fees - warrants	-	(4,970)	4,970	-	-
Shares issued for to F3 Uranium Corp	1,605,000	278,650	-	-	278,650
Net loss and comprehensive loss for the period	-	-	-	(536,908)	(536,908)
Balance, January 31, 2024	16,992,040	17,049,662	1,117,950	(12,482,809)	5,684,803

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

SKRR EXPLORATION INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars - Unaudited)

	For the nine months ended January 31, 2024	For nine months ended January 31, 2023
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(536,908)	(616,982)
Non-cash items:		
Unrealized loss (gain) on short-term investment	46,435	287,500
Changes in non-cash working capital items:		-
Decrease (increase) in GST and other receivables	168,383	68,694
Decrease (increase) in prepaid expenses	(36,992)	105,934
Increase (decrease) in accounts payable and accrued liabilities	36,502	131,056
Net cash flows used in operating activities	(322,580)	(23,798)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	(48,234)	(206,641)
Acquisition of mineral property	(50,000)	-
Sale of short-term investment	23,115	-
Net cash flows used in investing activities	(75,119)	(206,641)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placement gross proceeds	155,004	229,502
Finders fees and share issuance costs	(11,529)	(12,802)
Net cash flows provided by financing activities	143,475	216,700
Change in cash for the period	(254,224)	(13,739)
Cash, beginning of period	1,035,498	1,439,040
Cash, end of period	781,274	1,425,301
Cash paid for interest	-	-
Cash paid for tax	-	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

SKRR Exploration Inc. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on September 20, 2006. The registered address, head office, principal address and records office of the Company are located at 228 - 1122 Mainland Street, Vancouver, British Columbia, V6B 5L1. On January 13, 2020, the Company received approval by the TSX Venture regarding its reactivation and application for graduation to Tier 2. Effective, January 23, 2020, the Company's common shares commenced trading under the symbol SKRR.

Going concern of operations

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

These consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at January 31, 2024, the Company has had significant losses and has a working capital of \$1,242,433 (April 30, 2023 - \$1,734,100). In addition, the Company has not generated revenues from operations. The Company has financed its operations primarily through the issuance of common shares, and short-term loans. In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. As such, there is a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended April 30, 2023 except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending April 30, 2024 could result in the restatement of these condensed interim financial statements.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, 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.

2. BASIS OF PRESENTATION (continued)Basis of consolidation

The consolidated financial statements include the accounts of the Company and its controlled entity. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation. The Company owns 100% of 1364991 B.C. Ltd. which was the registered tenure holder of the Company's mineral interests in the Nickel Peak 1 and Nickel Peak 2 claim blocks; these claims have lapsed.

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest April 30, 2023	Proportion of Ownership Interest April 30, 2022	Principal Activity
1364991 B.C. Ltd.	B.C., Canada	0%	-	Holder of tenures

Share consolidation

The Company finalized a share consolidation on the basis of five existing common shares into one common share (5:1) effective July 10, 2023 (Note 11). All balances of common shares, common share purchase warrants and stock options herein are reflective of the share consolidation (unless otherwise noted).

3. ACCOUNTING POLICIES ADOPTED

The following accounting standards and amendments are effective for future periods. The Company is in the process of assessing the impacts of the adoption of these standards and amendments in the Company's financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments were effective for reporting periods beginning on or after January 1, 2023; there were no material changes to the Company's financial statements as a result of adoption.

Amendments to IAS 8 – Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. These amendments were effective for reporting periods beginning on or after January 1, 2023; there were no material changes to the Company's financial statements as a result of adoption.

3. ACCOUNTING POLICIES ISSUED BUT NOT YET EFFECTIVE (continued)

These amendments are effective for reporting periods beginning on or after January 1, 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments were effective for reporting periods beginning on or after January 1, 2023; there were no material changes to the Company's financial statements as a result of adoption.

4. SHORT-TERM INVESTMENT

	TOTAL
	\$
Balance at April 30, 2022	410,500
Additions	568,888
Proceeds from sale	(146,548)
Realized loss	(229,206)
Change in fair value	(47,034)
Balance at April 30, 2023	556,600
Additions	37,468
Proceeds from sale	64,264
Realized gain	3,681
Change in fair value	(174,963)
Balance at January 31, 2024	487,050

On January 31, 2020, the Company subscribed to 500,000 units of Taiga Gold Corp. ("Taiga") at a price of \$0.09 per unit for a total of \$45,000. Each unit consisted of one Taiga common share and one Taiga share purchase warrant. Each Taiga share purchase warrant is exercisable at a price of \$0.18 per share for the earlier of i.) February 7, 2022 or ii.) the date following the expiry of 4 months from the date of this warrant certificate and occurring 30 days from the date that the trading price of the common shares has closed each day for a period of 10 consecutive trading days at \$0.50 per common share or higher. All warrants were exercised during the period ended April 30, 2022 adding \$90,000 cost value and 500,000 shares of Taiga. The Company sold 1,000,000 shares of Taiga for \$265,000 during the period ended April 30, 2022.

On March 31, 2023, the Company received 2,000,000 Fathom Nickel Inc. ("Fathom") at a price of \$0.145 per share for a total of \$290,000 (Note 5). The fair market value as of the day of acquisition was \$290,000.

Through the year ended April 30, 2023, the Company purchased additional marketable securities for \$278,888 (2022 - \$Nil) and sold some of these securities for proceeds of \$36,072 (2022 - \$Nil) during the same fiscal year.

4. SHORT-TERM INVESTMENT (continued)

Through the year ended April 30, 2021, the Company purchased 2,465,500 shares of MAS Gold Corp. (“MAS”) in the open market for \$228,316. On December 15, 2020, the Company subscribed to 2,000,000 units of MAS, for \$120,000. Each unit comprises one share and one share purchase warrant. Each share purchase warrant was exercisable at price of \$0.10 per share for 24 months; these warrants expired unexercised on December 15, 2022. The Company sold 1,360,500 shares of MAS for \$184,385 during the year ended April 30, 2021. Through the year ended April 30, 2022, the Company purchased additional 995,000 shares of MAS for \$114,947. The Company sold 4,100,000 shares of MAS for \$110,476 during the year ended April 30, 2023.

Through the nine ended January 31, 2024 the Company purchased additional marketable securities for \$31,843 and sold some of these securities for proceeds of \$64,264.

SKRR Exploration Inc.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE MONTHS ENDED JANUARY 31, 2024

5. EXPLORATION AND EVALUATION ASSET

Exploration and evaluation assets comprise the following accumulated expenditures:

	Cathro Gold	Ithingo Lake	Olson Gold	Irving Lake	Manson Bay	Father Lake	Watts Lake	Nickel Peak	Carp River	Other Projects	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at April 30, 2022	195,009	811,197	3,897,993	343,249	1,669,947	76,679	67,460	-	-	19,518	7,081,052
Acquisition costs	9,000	-	110,000	-	-	-	63,328	169,267	7,000	-	358,595
Geological	97,586	13,454	23,645	18,458	800	6,255	1,049	20,219	2,258	332	184,056
Geophysical	-	6,671	-	-	4,132	6,671	-	-	-	-	17,474
Management, legal and admin	6,875	11,518	15,893	5,893	12,143	9,643	-	9,643	-	-	71,608
Reports and survey	7,907	-	15,645	-	10,000	-	-	2,500	-	-	36,052
Tenure and maintenance	-	-	2,310	-	-	-	-	3,222	-	6,980	12,512
Impairment	(316,377)	(842,840)	-	(367,600)	(1,697,022)	(99,248)	-	(204,851)	(9,258)	(26,830)	(3,564,026)
Proceeds from sale	-	-	-	-	-	-	(440,000)	-	-	-	(440,000)
Gain on sale	-	-	-	-	-	-	308,163	-	-	-	308,163
Balance at April 30, 2023	-	-	4,065,486	-	-	-	-	-	-	-	4,065,486

	Olson Gold	Clearwater	TOTAL
	\$	\$	\$
Balance at April 30, 2023	4,065,486	-	4,065,486
Acquisition	-	328,650	328,650
Geological	325	340	665
Tenure and maintenance	2,570	-	2,570
Management, legal and admin	22,500	22,500	45,000
Balance at January 31, 2024	4,090,881	351,490	4,442,371

5. EXPLORATION AND EVALUATION ASSET (continued)

Clearwater West Project

On May 25, 2023, and amended on January 10, 2024, the Company entered into an option agreement with F3 Uranium Corp. (F3") to acquire a 70% interest in the Clearwater West Property comprising 3 contiguous mineral claims across 11,786 hectares.

Under the agreement, and to earn an initial 50%, the Company must complete cash payments, share payments of common shares in the capital of the Company to F3 and exploration expenditures over a period as follows:

- (i) \$25,000 in cash upon execution of the option agreement (paid);
- (ii) \$25,000 in cash on or before December 31, 2023 (paid);
- (iii) 5,000,000 common shares (issued May 25, 2023, prior to the July 10, 2023 5:1 consolidation); and
- (iv) 605,000 common shares on January 22, 2024 (issued);
- (v) 395,000 common shares on or before June 1, 2024, unless subsequent to such issuance, F3's partially diluted shareholdings in the Company would exceed 10% of the issued and outstanding shares of the Company, in which case the Company shall pay \$39,500 in cash to F3 on or before June 5, 2024 in lieu thereof; and
- (vi) \$3,000,000 in work expenditures on the Clearwater West Property to be spent on or before May 25, 2025.

F3 will retain a 2.0% net smelter return ("NSR") royalty of which 1% may be repurchased by the Company for \$1,000,000.

Upon completion of the 50% interest earn-in, F3 and the Company will automatically enter into a joint venture and will negotiate to formalize a joint venture agreement. Pursuant to the terms of the Clearwater West Agreement, the Company will have the option to increase its interest in the Clearwater West Property to 70% by making additional cash and exploration expenditures:

- (i) \$50,000 cash on or before December 31, 2024; and
- (ii) \$3,000,000 additional work expenditures on the Clearwater West Property on or before the third anniversary of the agreement.

Olson Gold Property

On October 24, 2019, the Company entered into an option agreement with Eagle Plains Resources Ltd. ("Eagle Plains"), under which the Company acquired 75% of Eagle Plains' Olson gold property, comprising nine (9) mineral dispositions, located approximately 100 km east of La Ronge, Saskatchewan, in the Deschambault Lake area.

Under the agreement, the Company completed cash payments, and share payments of common shares in the capital of the Company to Eagle Plains and exploration expenditures over a period as follows:

- i. \$10,000 in cash upon execution of a letter of intent in respect of the transaction (paid);
- ii. \$20,000 in cash and 40,000 common shares upon TSXV approval of the transaction and the agreement (shares issued; cash paid);
- iii. \$40,000 in cash, 40,000 common shares and \$200,000 in exploration expenditures on or before December 31, 2020 (shares issued; cash paid);
- iv. \$80,000 in cash, 40,000 common shares and \$500,000 in exploration expenditures on or before December 31, 2021 (shares issued; cash paid); and
- v. \$100,000 in cash (paid), 40,000 common shares (issued on February 22, 2023) and an additional \$800,000 in exploration expenditures (for an aggregate total of at least \$1,500,000) on or before December 31, 2022 (incurred and completed).

The Company acquired a 51% interest in the Olson property initially, and then earned an additional 24% (75% total) interest in the property by making additional exploration expenditures of \$1,500,000 (completed) on the property and issuing 40,000 common shares (issued on February 22, 2023). There are no further cash or share payment obligations anticipated.

5. EXPLORATION AND EVALUATION ASSET (continued)

Cathro Gold Property

On January 12, 2020, the Company entered into an option agreement to acquire 100% of the Cathro gold property located 50 kilometres northeast of the La Ronge, Saskatchewan from Eagle Plains.

Under the terms of the agreement, the Company acquired 100% interest of the property by making the following payments:

Cash payable

\$4,000 upon receipt of TSX Venture Exchange approval (the “Approval Date”) (paid).

Common shares

- i. 50,000 on the Approval Date (issued);
- ii. 50,000 on or before the 1st anniversary of the Approval Date (issued);
- iii. 20,000 on or before the 2nd anniversary of the Approval Date (issued);
- iv. 20,000 on or before the 3rd anniversary of the Approval Date (issued February 13, 2023);
- v. 20,000 on or before the 4th anniversary of the Approval Date (issued February 13, 2023); and
- vi. 20,000 on or before the 5th anniversary of the Approval Date (issued February 13, 2023).

NSR

2.0% NSR to Eagle Plains with the Company’s option to repurchase 1.0% NSR for \$1 million, leaving Eagle Plains with a 1.0% NSR.

The property’s carrying value was written off during the year ended April 30, 2023, as the Company re-evaluates its future plans with respect to this property.

Ithingo Lake Property

On March 11, 2020, and amended on April 20, 2023, the Company entered into a non-arm’s length option agreement to acquire 100% of the Ithingo Lake property from a private company (“Edge”) owned by a former director of the Company.

Under the terms of the agreement, the Company may acquire 100% interest of the property by making the following payments:

Cash payable

- i. \$50,000 upon receipt of TSX Venture Exchange approval (paid).
- ii. \$75,000 on or before the 1st anniversary of the option agreement (paid)

Common shares

326,795 common shares within 30 days of TSX Venture Exchange approval (issued).

NSR

2.0% NSR to Edge with the Company’s option to repurchase 1.0% NSR for \$1 million, leaving Edge with a 1.0% NSR.

The Ithingo Lake property’s carrying value was written off during the year ended April 30, 2023, as the Company re-evaluates its future plans with respect to this property. The Company did not satisfy the minimum expenditures requirement by the 4th anniversary of the option agreement (March 11, 2024) such that the option agreement has lapsed.

5. EXPLORATION AND EVALUATION ASSET (continued)

Work Expenditures

- i. \$100,000 of expenditures on the property on or before the 1st anniversary of the option agreement (completed);
- ii. \$500,000 of cumulative expenditures on the property on or before the 4th anniversary of the option agreement.

The property's carrying value was written off during the year ended April 30, 2023, as the Company re-evaluates its future plans with respect to this property. The Company did not meet its exploration commitment by March 11, 2024 and the option agreement has lapsed.

Irving Lake Property

On April 26, 2020, and amended on May 13, 2020 and April 20, 2023, the Company entered into a non-arm's length option agreement to acquire 100% of the Irving Lake property, comprising ten (10) mineral claims, located in the province of Saskatchewan, approximately 110 km northeast of the town of La Ronge from a private company controlled by a former director of the Company. On May 13, 2020, five (5) additional claims were added to the option agreement. To exercise the option, the Company must incur total exploration expenditures of \$1,050,000 over a four-year period instead of \$600,000 originally agreed upon on April 26, 2020, and pay \$8,000 in cash to the optionor within 5 days of the exchange approval date (paid). On May 22, 2020, the Company received approval for the option agreement and its first amendment.

The property's carrying value was written off during the year ended April 30, 2023 as the Company re-evaluates its future plans with respect to this property.

Manson Bay Property

On August 31, 2020, the Company acquired 100% interest in Eagle Plains' Manson Bay South Property comprising nine mineral claims, in addition to acquiring 100% in Edge's Manson Bay Property comprising four adjacent mineral claims. Edge is owned and operated by a director of the Company. Eagle Plains agreement and the Edge agreement together will be referred to as the "Acquisition Agreements".

Under the terms of the Acquisition Agreements, the Company acquired a 100% interest in the Manson Bay South Property and the Manson Bay Property by making a cash payments of \$10,000 and issuing 150,000 common shares of the Company to each of Eagle Plains and Edge (for aggregate consideration of \$20,000 of cash and 300,000 common shares). The Acquisition Agreements provide for an over-riding 2% NSR in favour of Eagle Plains and Edge, respectively (total 4%) (subject to a buy down to 1% for \$1,000,000 on each NSR). Pursuant to the Acquisition Agreements, Eagle Plains will be the initial operator on both the Manson Bay and Manson Bay South claim packages, and Eagle Plains and Edge will alternate as operator every two years thereafter. As of April 30, 2021, the cash payments were paid and the shares were issued.

5. EXPLORATION AND EVALUATION ASSET (continued)

The property's carrying value was written off during the year ended April 30, 2023 as the Company re-evaluates its future plans with respect to this property.

On February 7, 2024, the Company entered into a definitive asset purchase agreement with X1 Entertainment Group Inc. ("X1") whereby X1 will acquire a 100% interest in SKRR's wholly-owned Manson Bay gold project. Under the terms of the definitive agreement, X1 may acquire a 100% interest in the Manson Bay Project by issuing 1,000,000 common shares in the capital of X1 to the Company. The potential Acquisition Agreement and the consideration and transactions contemplated thereunder, will be subject to and in accordance with applicable corporate and securities laws and the approval of the Canadian Securities Exchange, and if required, the approval of the TSX Venture Exchange and any other such approvals that may be required, including approval of the shareholders of X1.

Father Lake

On June 14, 2021, the Company entered into a non-arm's length agreement to acquire 100% interest in the Father Lake Nickel Property from Edge. Under the terms of the agreement, the Company will pay \$7,000 (paid) for the property. On June 24, 2021, the Company received regulatory approval for this acquisition.

The property's carrying value was written off during the year ended April 30, 2023, and the claims were not renewed.

Watts Lake Zinc Property

On November 4, 2021, the Company entered into a non-arm's length agreement to acquire 100% interest in the Watts Lake Zinc Property from Edge. Under the terms of the agreement, the Company paid and issued shares as follows:

- i. \$62,500 in cash (paid) and 10,000 shares (issued) upon the Company received regulatory approval date; and
- ii. \$62,500 (paid February 21, 2023) in cash on or before the 1st anniversary of the Company received regulatory approval date.

On February 17, 2022, the Company received regulatory approval for this acquisition; the option was exercised on February 21, 2023.

On March 22, 2023, the Company entered into a sales and acquisition agreement with Fathom whereby Fathom would acquire all the Watts Lake Zinc Property for the following cash and share payments to the Company:

- i. Initial cash payment of \$75,000 (received);
- ii. 400,000 common shares (received); and
- iii. an additional cash payment of \$75,000 60 days after signing of the agreement (received subsequent to April 30, 2023).

On June 14, 2023, the Company completed the sale of the Watts Lake Zinc Property to Fathom.

5. EXPLORATION AND EVALUATION ASSET (continued)**Nickel Peak Property**

On June 9, 2022, the Company closed an acquisition transaction to acquire for all the issued and outstanding shares 1364991 B.C. Ltd., an arm's length private B.C. company that holds an undivided 100% interest in the Nickel Peak 1 and Nickel Peak 2 claim blocks through the issuance of 600,000 shares of the Company to the shareholders of 1364991 B.C. Ltd.

The Company acquired 1364991 B.C. Ltd. for the sole purpose of acquiring the Nickel Peak property. Based on the number of shares acquired and the Company's decision making power, the Company has determined to be the acquirer. The acquisition was determined to be an asset acquisition because 1364991 B.C. Ltd. did not meet the definition of business. The total consideration paid totaled \$165,000 and has been allocated to the assets and liabilities acquired based on their estimated fair values on June 9, 2022 as follows:

		Total
		\$
Consideration:	Shares issued	165,000
Allocated:	Accounts payable	<u>(4,267)</u>
	Excess allocated to the property	<u>169,267</u>

The property's carrying value was written off during the year ended April 30, 2023 as the Company re-evaluates its future plans with respect to this property. In addition, the claims were not renewed.

Carp River

On November 1, 2022, the Company entered into a non-arm's length agreement to acquire 100% interest in the Carp River Nickel-Copper-Cobalt project from Edge. Under the terms of the agreement, the company paid \$7,000 for the property and acquired 100% interest.

The property's carrying value was written off during the year ended April 30, 2023 as the Company re-evaluates its future plans with respect to this property.

6. CAPITAL STOCK AND RESERVES

a) Authorized

Unlimited number of common shares, without par value.

On July 5, 2023, the Company's shares were consolidated on a five to one basis.

b) Share issuances

During the nine months ended January 31, 2024

On December 29, 2023, the Company completed a non-brokered private placement of \$110,004. The offering comprised 916,700 FT Units at \$0.12 per FT Unit. Each FT comprises of one common share, and one half share purchase warrant exercisable for \$0.15 per share for 24 months. The Company paid \$7,700 in cash finders fees and issued 64,169 non-transferrable finder's warrants in connection with this private placement.

On July 10, 2023, the Company completed a non-brokered private placement of \$45,000 along with a concurrent share consolidation of five existing common shares into one common share. The offering comprised of 40,000 post consolidation FT Units at \$0.25 per FT Unit and 175,000 post consolidation Units at \$0.20 per Unit. Each FT Unit and Unit comprises of one common share, and one share purchase warrant exercisable for \$0.30 post consolidation shares for 36 months.

During the year ended April 30, 2023

On July 6, 2022, the Company completed a non-brokered private placements for gross proceeds of \$229,502 through the issuance of 181,818 units of the Company ("Unit"), and 598,340 flow-through units of the Company ("FT Unit") at a price of \$0.275 per Unit, and \$0.30 per FT Unit, respectively. Each Unit comprises one common share of the Company and one common share purchase warrant. Each FT Unit comprises one common share of the Company to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one common share purchase warrant. Each common share purchase warrant will entitle the holder thereof to purchase one common share of the Company at a price of \$0.40 for a period of 24 months following the closing of the private placement.

c) Stock options

The Company follows the policies of the TSX-V under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the then issued and outstanding common stock of the Company. Under the policies, the exercise price of each shall not be less than the closing price of the Company's common shares on the day preceding the day on which the directors grant such options, less any discount permitted by the TSX-V. The options can be granted for a maximum term of ten years.

SKRR Exploration Inc.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE MONTHS ENDED JANUARY 31, 2024

6. CAPITAL STOCK AND RESERVES (continued)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price \$
Balance, April 30, 2022	1,272,199	1.10
Granted	203,000	0.40
Expired	(159,475)	1.36
Balance, April 30, 2023	1,315,724	0.95
Balance, January 31, 2024	1,315,724	0.95

On April 13, 2023, 203,000 options were granted to an directors, officers and consultants of the Company. The options are exercisable at \$0.40 per share for three years from date of grant and vest immediately upon grant. The fair value of the options was estimated at \$49,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.30, expected volatility – 129% (based on historical volatility), risk-free interest rate – 3.047%, exercise price of \$0.40 and an expected average life of 3 years.

As at January 31, 2024, the Company's stock options are summarized as:

Exercise price	Expiry date	Number of Options
\$ 1.50	January 23, 2025	210,000
\$ 1.85	August 28, 2025	50,000
\$ 1.25	January 12, 2024	321,774
\$ 1.15	April 6, 2024	195,950
\$ 0.40	February 17, 2025	335,000
\$ 0.40	April 13, 2026	203,000
TOTAL		1,315,724

As of January 31, 2024, the weighted average remaining life of stock options is 0.84 years (2022 – 1.59 years).

As of January 31, 2024, the Company has 1,315,724 exercisable options (2023 – 1,315,724).

d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price \$
Balance, April 30, 2022	1,949,289	0.80
Granted	792,992	0.40
Expired	(175,719)	1.74
Balance, April 30, 2023	2,566,562	0.61
Granted	740,319	0.16
Expired	(1,773,570)	0.14
Balance, January 31, 2024	1,533,311	0.29

SKRR Exploration Inc.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE MONTHS ENDED JANUARY 31, 2024

6. CAPITAL STOCK AND RESERVES (continued)

On July 10, 2023, 2,800 broker warrants were issued to agents of the Company. The warrants are exercisable at \$0.20 per share for 36 months from date of grant. The fair value of the warrants was estimated at \$470, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.19, expected volatility – 178% (based on historical volatility), risk-free interest rate – 4.201%, exercise price of \$0.20 and an expected average life of 36 months.

On July 6, 2022, 12,834 broker warrants were issued to agents of the Company. The warrants are exercisable at \$0.40 per share for 24 months from date of grant. The fair value of the warrants was estimated at \$1,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.25, expected volatility – 82.2% (based on historical volatility), risk-free interest rate – 1.528%, exercise price of \$0.40 and an expected average life of 24 months

As at January 31, 2024, the Company's share purchase warrants are summarized as:

Exercise price	Expiry date	Number of Warrants
\$ 0.40	July 6, 2024	780,158
\$ 0.40	July 6, 2024	12,834
\$ 0.20	July 10, 2026	215,000
\$ 0.20	July 10, 2026	2,800
\$ 0.15	December 29, 2025	458,350
\$ 0.15	December 29, 2025	64,169
TOTAL		1,533,311

As at January 31, 2024, the weighted average remaining life of share purchase warrants is 1.22 years (2023 – 0.80 years).

e) Flow-through premium liability

The Company fulfilled the obligation to incur \$179,502 eligible exploration and evaluation expenditures during the year ended April 30, 2023 in relation to the issuance of flow-through shares on July 6, 2022.

As at January 31, 2024, the Company has not satisfied its obligation to incur \$120,004 exploration and evaluation expenditures.

SKRR Exploration Inc.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE MONTHS ENDED JANUARY 31, 2024

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

	For the nine months ended January 31, 2024	For the nine months ended January 31, 2023
	\$	\$
Exploration and evaluation	22,500	133,132
Consulting	75,000	8,125
Office and administration	9,450	9,450
Professional	75,000	70,000

As at January 31, 2024, \$512 (2023 - \$419) was owing to a private Company owned by the CFO for reimbursable expenses, and \$Nil (2023 - \$1,265) owing to the CEO for expenses incurred on behalf of the Company. All amounts payable to related parties are unsecured, non-interest bearing and due on demand.

8. FINANCIAL INSTRUMENTS AND RISKS

Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for assets or liabilities that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value by levels within the fair value hierarchy:

January 31, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	781,274	-	-	781,274
Short term investments – shares	487,050	-	-	487,050

April 30, 2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	1,035,498	-	-	1,035,498
Short term investments – shares	556,600	-	-	556,600

There were no transfers between level 1 and 2 during the period ended January 31, 2024 and the year ended April 30, 2023. The methodology and assessment of inputs for determining the fair values of financial assets and liabilities as well as the levels of hierarchy remain unchanged.

Financial risk factors

The Company's risk exposures and the impact on the Company's consolidated financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2024, the Company had a cash balance of \$781,274 (April 30, 2023 - \$1,035,498) to settle accounts payable of \$114,065 (April 30, 2023- \$77,563). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

8. FINANCIAL INSTRUMENTS AND RISKS (continued)

Financial risk factors (continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. Such fluctuations may be significant.

a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at financial institutions is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in a foreign currency. As at January 31, 2024, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

c) Price risk

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

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (i.e. capital stock, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. The Company's overall strategy remains unchanged from prior year.

10. SUBSEQUENT EVENTS

See Note 6 with respect to announced financing.

See Note 5 with respect to the Manson Bay property.