

Gladiator Metals Corp.
Consolidated Financial Statements
Years Ended February 28, 2023 and 2022
(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GLADIATOR METALS CORP.

Opinion

We have audited the consolidated financial statements of Gladiator Metals Corp. and its subsidiaries (the "Company"), which comprise:

- ◆ the consolidated statements of financial position as at February 28, 2023 and 2022;
- ◆ the consolidated statements of loss and comprehensive loss for the years then ended;
- ◆ the consolidated statements of changes in shareholders' equity for the years then ended;
- ◆ the consolidated statements of cash flows for the years then ended; and
- ◆ the 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 consolidated financial position of the Company as at February 28, 2023 and 2022, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$3,513,423 during the year ended February 28, 2023 and, as of that date, the Company's accumulated deficit was \$4,733,557. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended February 28, 2023. 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.

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

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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 identified above 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 auditors' 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 IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' 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 auditors' 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:

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- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Sukhjit Gill.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia

June 23, 2023

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Gladiator Metals Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	February 28, 2023	February 28, 2022
Assets			
Current			
Cash and cash equivalents	4	\$ 1,080,230	\$ 1,957,683
Accounts receivable		29,549	13,330
Prepaid expenses		303,578	1,667
		1,413,357	1,972,680
Exploration and evaluation assets	5	233,255	2,507,584
Reclamation deposit	5	32,700	32,700
Total Assets		\$ 1,679,312	\$ 4,512,964
Liabilities			
Current			
Accounts payable and accrued liabilities	7	\$ 316,082	\$ 96,830
Shareholders' Equity			
Share capital	6	5,436,340	5,256,896
Reserves	6	565,247	379,372
Obligation to issue shares	6	95,200	-
Deficit		(4,733,557)	(1,220,134)
Total Shareholders' Equity		1,363,230	4,416,134
Total Liabilities and Shareholders' Equity		\$ 1,679,312	\$ 4,512,964

Approved on behalf of the Board on June 23, 2023:

"Darren Devine" (signed)
Director

"Shawn Khunkhun" (signed)
Director

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

Gladiator Metals Corp.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended February 28, 2023 and 2022
(Expressed in Canadian Dollars)

	Note	February 28, 2023	February 28, 2022
Expenses			
Exploration expenses		\$ 358,014	\$ 4,298
Investor relations		71,116	-
Consulting	7	264,000	207,240
Filing fees		15,699	17,005
General and administrative	7	77,794	25,140
Professional fees		47,211	46,895
Share based payments	6, 7	185,875	277,468
		(1,019,709)	(578,046)
Other (expenses) income			
Foreign exchange loss		(5,453)	-
Finance income		19,323	-
Impairment of exploration and evaluation assets	5	(2,507,584)	-
Loss and Comprehensive Loss for the Year		\$ (3,513,423)	\$ (578,046)
Basic and Diluted Loss Per Common Share		\$ (0.18)	\$ (0.05)
Weighted Average Number of Common Shares Outstanding		19,185,415	10,711,748

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

Gladiator Metals Corp.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Capital Stock		Obligation to issue shares	Reserves	Deficit	Shareholders' Equity
	Number	Amount				
Balance, February 28, 2021	5,256,473	\$ 960,959	\$ -	101,904	\$ (642,088)	\$ 420,775
Net loss for the year	-	-	-	-	(578,046)	(578,046)
Proceeds from the issuance of common shares	8,499,994	2,379,998	-	-	-	2,379,998
Share issue costs	-	(76,940)	-	-	-	(76,940)
Acquisition of exploration and evaluation assets	5,000,000	1,850,000	-	-	-	1,850,000
Issuance of finders' shares	386,160	142,879	-	-	-	142,879
Share-based payments	-	-	-	277,468	-	277,468
Balance, February 28, 2022	19,142,627	\$ 5,256,896	\$ -	379,372	\$ (1,220,134)	\$ 4,416,134
Net loss for the year	-	-	-	-	(3,513,423)	(3,513,423)
Proceeds from subscriptions received in advance	-	-	95,200	-	-	95,200
Acquisition of exploration and evaluation assets	1,000,000	156,944	-	-	-	156,944
Issuance of finders' shares	112,500	22,500	-	-	-	22,500
Share-based payments	-	-	-	185,875	-	185,875
Balance, February 28, 2023	20,255,127	\$ 5,436,340	\$ 95,200	\$ 565,247	\$ (4,733,557)	\$ 1,363,230

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

Gladiator Metals Corp.
Consolidated Statements of Cash Flows
For the years ended February 28, 2023 and 2022
(Expressed in Canadian Dollars)

	Note	2023	2022
Operating Activities			
Net loss for year		\$ (3,513,423)	\$ (578,046)
Items not affecting cash and cash equivalents			
Share-based compensation	6	185,875	277,468
Impairment of exploration and evaluation assets	5	2,507,584	-
Changes in working capital balances:			
Accounts receivable		(16,219)	(12,847)
Prepaid expenses		(301,911)	(1,250)
Accounts payable and accrued liabilities		219,252	80,281
Cash Used in Operating Activities		(918,842)	(234,394)
Investing Activities			
Acquisition of option on the Whitehorse Copper Project	5	(53,811)	-
Acquisition of Bangles Gold Ptd Ltd.	5	-	(297,405)
Loan receivable	5	-	(125,000)
Cash Used in Investing Activities		(53,811)	(422,405)
Financing Activities			
Proceeds from obligation to issue shares	6	95,200	-
Proceeds from issuance of common shares	6	-	2,300,808
Cash Provided by Financing Activities		95,200	2,300,808
(Decrease) increase in Cash and Cash Equivalents		(877,453)	1,644,009
Cash and Cash Equivalents, Beginning of Year		1,957,683	313,674
Cash and Cash Equivalents, End of Year		\$ 1,080,230	\$ 1,957,683

Supplemental cash flow information (Note 10)

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

Gladiator Metals Corp.
Notes to the Consolidated Financial Statements
For the Years Ended February 28, 2023 and 2022
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Gladiator Metals Corp. (the “Company” or “Gladiator”) was incorporated under the *Business Corporations Act* of British Columbia on February 8, 2010. The Company is listed on the TSX Venture Exchange (the “TSX-V”) under the symbol “GLAD”. The Company is engaged in acquisition, development and operation of mineral properties, with its principal focus on the Whitehorse Copper Project located near Whitehorse, Yukon Territory.

The head office and records office of the Company are located at 1430 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. Several conditions discussed below cast substantial doubt regarding this assumption. As at February 28, 2023, the Company has no operating revenue and has an accumulated deficit of \$4,733,557 (2022 - \$1,220,134), and incurred a net loss during the year of \$3,513,423 (2022 - \$578,046). The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded amounts that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Qualifying Transaction – Acquisition of Bangles Gold Pty Ltd.

On October 14, 2021, the Company completed the acquisition of Bangles Gold Pty Ltd. (“Bangles”) (the “Transaction”) (Note 5) by acquiring all of the issued and outstanding common shares of Bangles, in exchange for the shareholders of Bangles receiving Gladiator common shares and a cash payment. In connection with the Transaction, the Company changed its name to “Gladiator Metals Corp.” The Transaction constituted the Company’s “Qualifying Transaction” pursuant to Policy 2.4 of the TSX-V. Bangles owns 100% of the Koonenberry Gold project, an early-stage gold exploration project located in north-west New South Wales, Australia (the “Bangles Gold Project”).

Concurrently with the Transaction, the Company completed a non-brokered private placement of units of the Company (each a “Unit”) for gross proceeds of \$2,379,998 at a price of \$0.28 per Unit. Each Unit consists of one Gladiator common share and one-half of a common share purchase warrant of Gladiator (each a “Warrant”), with each whole Warrant exercisable for a period of twenty-four months at a price of \$0.40 per Gladiator common share. As part of the Transaction, the Company issued 386,160 finders common shares to an arms-length third party as a finders’ fee.

Gladiator Metals Corp.
Notes to the Consolidated Financial Statements
For the Years Ended February 28, 2023 and 2022
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared on a historical cost basis, except for financial assets and liabilities classified as financial instruments at fair value through profit or loss ("FVTPL"), which are stated at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The significant accounting policies set out in Note 3 have been applied consistently to all periods presented.

Approval of the Consolidated Financial Statements

These consolidated financial statements of the Company were approved by the Board of Directors and authorized for issue on June 23, 2023.

Future Accounting Standards

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its consolidated financial statements would not be significant.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

These consolidated financial statements include the operating results of the Company and its subsidiaries. A subsidiary is an entity that the Company controls, either directly or indirectly, where control is defined as the power over the entity, rights to variable returns from its involvement with the entity, and the ability to use its power to affect the amount of returns. All intercompany transactions and balances are eliminated on consolidation. These consolidated financial statements include the operating results of Bangles Gold Pty. Ltd. ("Bangles"), the Company's wholly owned subsidiary.

Functional and Presentation Currency

Except as otherwise noted, these consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the date of the consolidated statements of financial position. Non-monetary assets and liabilities are translated at historical exchange rates, unless carried at fair value, in which case it will be translated at the exchange rate in effect at the date when the fair value was determined. Resulting foreign exchange gains and losses are recognized in income or loss on a net basis.

Gladiator Metals Corp.
Notes to the Consolidated Financial Statements
For the Years Ended February 28, 2023 and 2022
(Expressed in Canadian Dollars)

Financial Instruments

Financial instruments are recognized initially at fair value when the Company becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition, financial instruments are classified and measured as described below.

Transaction costs associated with financial instruments, carried at fair value through profit or loss, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

(i) Financial assets

a. Amortized cost

Financial assets are recorded at amortized cost if both of the following criteria are met: 1) the objective of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'. The Company's cash equivalents and loans receivable are recorded at amortized cost as they meet the required criteria.

b. Financial assets recorded at fair value through income (loss)

Financial assets are classified at fair value if they are acquired for the purpose of selling in the near term. Gains or losses on these items are recognized in net income (loss). The Company has no financial assets classified as financial assets measured at fair value through income (loss).

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss.

(ii) Financial liabilities

Accounts payable and accrued liabilities are accounted for at amortized cost using the effective interest rate method. The amortization of debt issue costs is calculated using the effective interest rate method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss and comprehensive loss.

Gladiator Metals Corp.
Notes to the Consolidated Financial Statements
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(Expressed in Canadian Dollars)

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share purchase warrants are classified as equity instruments. The proceeds from the issue of units are allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market trading price on the date the units are issued and the balance, if any, is allocated to the attached warrants. Share issue costs are recorded against share proceeds.

Reserves

Contributed surplus consists of the fair value of stock options and warrants granted since inception, less amounts transferred to share capital for exercised stock options and warrants. If granted options vest and then subsequently expire, no reversal of contributed surplus is recognized.

Earnings/Loss per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year. The Company has included total escrow shares as their release is subject to the passage of time. Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted, unless the effect is anti-dilutive.

Share-Based Payments

The fair value, at the grant date, of equity-settled share awards is charged to income or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in contributed surplus. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black-Scholes option pricing model, which considers the following factors: exercise price, current market price of the underlying shares, expected life, risk-free interest rate, expected volatility, dividend yield, and forfeiture rate.

For equity-settled share-based payments to non-employees, the Company measures the equity awards issued as the fair value of the goods or services received, and the corresponding increase in equity, unless that fair value cannot be estimated reliably. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value of the equity award is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

Gladiator Metals Corp.
Notes to the Consolidated Financial Statements
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Exploration and Evaluation Assets

Costs directly related to the acquisition of exploration and evaluation assets are capitalized while costs related to subsequent exploration and evaluation of resource properties are included in profit or loss. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the unit-of-production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration, and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the cash-generating unit is written down to its recoverable amount. Resource properties are reviewed for impairment at each reporting date.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received are recorded as a gain on option or disposition of mineral property.

Environmental Rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of resource properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value.

Impairment of Long-Lived Assets

The Company's tangible and intangible assets are reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. The recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Gladiator Metals Corp.
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An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its consolidated financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Share-based Payments

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and is expensed to profit or loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Asset Acquisitions Versus Business Combinations

Management had to apply judgment with respect to whether the acquisition of Bangles was an asset acquisition or business combination. The assessment required management to assess the inputs, processes and outputs of the entity acquired at the time of the acquisition. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Pursuant to this assessment, the Bangles acquisition was considered to be an asset acquisition.

Gladiator Metals Corp.
Notes to the Consolidated Financial Statements
For the Years Ended February 28, 2023 and 2022
(Expressed in Canadian Dollars)

Determination of Purchase Price Allocation and Consideration

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. The fair value of identified assets is determined using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree or the replacement cost approach. The fair value of consideration transferred in a business combination requires management to make estimates regarding the valuation of equity and debt instruments issued, as well as future payments required under the acquisition agreements. Valuations of the net assets acquired and consideration transferred are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets, including replacement costs, share prices and market interest rates.

Going Concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Recoverable Value of Long-term Assets

The carrying value of exploration and evaluation assets and the likelihood of future economic recoverability is subject to significant management estimates. The application of the Company's accounting policy for and determination of recoverability of capitalized assets is based on assumptions about future events or circumstances. If information becomes available indicating that recovery of expenditures is unlikely, the amounts capitalized are impaired and recognized as a loss in the period that the new information becomes available. A change in estimate could result in the carrying amount of capitalized assets being materially different from their presented carrying costs.

4. FINANCIAL INSTRUMENTS

Financial instruments disclosure requires a statement of the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of fair value are:

Level 1	Unadjusted quoted prices in active markets for identical assets and 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 Company's financial instruments consist of cash equivalents, loans receivable and accounts payable and accrued liabilities. The fair value of these financial instruments approximates the carrying value due to the short maturity or current market rate associated with these instruments. There were no transfers between fair value levels during the year.

Gladiator Metals Corp.
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Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that are potentially subject to significant concentrations of credit risk consist primarily of cash and cash equivalents. The Company's cash and cash equivalents is held through large Canadian financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. Accounts payable and accrued liabilities are due within 90 days.

Market Risk

The Company's market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is not exposed to significant interest rate risk.

Foreign Exchange Risk

Currency risk is the risk of a loss due to the fluctuation of foreign exchange rates and the effects of those fluctuations on the Company's foreign currency denominated monetary assets and liabilities. The Company currently operates in Canada and Australia. Certain costs and expenses are incurred in Australian dollars. The Company attempts to mitigate currency risk through the preparation of short- and long-term expenditure budgets in the foreign currencies and planning for the conversion of Canadian dollars into foreign currencies whenever exchange rates are favourable.

The Company's financial assets and liabilities as at February 28, 2023 are denominated in Canadian Dollars. The Company is not exposed to significant foreign exchange risk.

Cash Equivalent

The Company's term deposit consists of a short-term investment of \$750,000 (2022 - \$nil) bearing interest at 3.5% with a maturity date of October 12, 2023.

5. Exploration and Evaluation Assets

	Bangles Gold	Whitehorse Copper Project
Balance, February 28, 2021	\$ -	\$ -
Acquisition	-	-
Balance, February 28, 2022	2,507,584	-
Acquisition	-	233,255
Impairment	(2,507,584)	-
Balance, February 28, 2023	\$ -	\$ 233,255

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a) Acquisition of Bangles Gold Pty Ltd.

On October 8, 2021, the Company completed the acquisition of Bangles Gold Pty Ltd. ("Bangles") (the "Transaction") by acquiring all of the issued and outstanding common shares of Bangles, in exchange for the shareholders of Bangles receiving Gladiator common shares and a cash payment. In connection with the Transaction, the Company changed its name to "Gladiator Metals Corp.". The Transaction constituted the Company's "Qualifying Transaction" pursuant to Policy 2.4 of the TSX-V. Bangles owns 100% of the Koonenberry Gold project, an early-stage gold exploration project located in north-west New South Wales, Australia (the "Bangles Gold Project").

Concurrently with the Transaction, the Company completed a non-brokered private placement of units of the Company (each a "Unit") for gross proceeds of \$2,379,998 at a price of \$0.28 per Unit. Each Unit consists of one Gladiator common share and one-half of a common share purchase warrant of Gladiator (each a "Warrant"), with each whole Warrant exercisable for a period of twenty-four months at a price of \$0.40 per Gladiator common share. As part of the Transaction, the Company issued 386,160 common shares to an arms-length third party as a finders fee.

The Transaction did not meet the definition of a business combination as no processes were acquired and has therefore been accounted for as an asset acquisition of mineral property interests.

Details of the fair value of identifiable assets acquired and purchase consideration paid in the Transaction is as follows:

5,000,000 common shares issued	\$	1,850,000
386,160 common shares issued as finders' fees		142,879
Cash payment		112,500
Loan receivable forgiven		250,000
Transaction costs		184,905
Total purchase price	\$	2,540,284
Exploration and evaluation assets acquired	\$	2,507,584
Reclamation deposit		32,700
Total assets acquired	\$	2,540,284

During the year ended February 28, 2023, the Company has impaired value of the Bangles Gold property to its recoverable value \$nil in accordance with level 3 of the fair value hierarchy, as it has decided to focus its efforts on the newly acquired option on the Whitehorse Copper Project.

b) Acquisition of Option to Acquire Whitehorse Copper Project, Yukon Territory

On November 8, 2022, the Company entered into a Mineral Property Option Agreement (the "Option") with H. Coyne & Sons Ltd. (the "Optionor") whereby the Optionor has granted the Company the right to acquire up to a 100% legal and beneficial interest in all of the Optionor's title and interest in 315 contiguous mineral claims located in the Yukon (the "Whitehorse Copper Project").

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Pursuant to the terms and conditions of the Option, in order to exercise the Option the Company must make the following cash and share payments:

	Cash		Common Shares	
Within three days of TSX-V approval	\$25,000	Paid	1,000,000	Issued
On or before February 14, 2024	\$50,000		3,000,000	
On or before February 14, 2026	\$100,000		5,000,000	
On or before February 14, 2029	\$125,000		6,000,000	

In addition, the Company must incur an aggregate of \$12,000,000 in exploration expenditures on the Whitehorse Copper Project, as follows:

- i) \$1,500,000 by February 14, 2024
- ii) \$4,500,000 by February 14, 2026
- iii) \$6,000,000 by February 14, 2029

Following the exercise of the Option, the Company must pay the Optionor, or such other person(s) as the Optionor may direct from time to time, a 1.0% net smelter returns royalty on the Whitehorse Copper Project. Certain mineral claims forming part of the Whitehorse Copper Project are also encumbered by pre-existing royalties which the Company shall be responsible for following the exercise of the Option. The Company has also granted the Optionor: (i) a right of first refusal to act as a qualified contractor for each exploration or development program on the Whitehorse Copper Project; (ii) the right to subscribe for and be issued as part of any public offering of the securities of the Company up to such number of securities that will allow the Optionor to maintain a percentage ownership interest of the common shares of the Company that is equal to the percentage of common shares that it then owns or controls of the total issued and outstanding common shares at such time; and (iii) the right to nominate one (1) director to the board of the directors of the Company, each for specified time periods as set forth in the Option Agreement.

In connection with the Option, the Company has entered into a finder's fee agreement pursuant to which the Company has agreed to issue up to 1,362,500 Common Shares to an arms-length third party as payment for introducing the Optionor to the Company, with such common shares to be issued based upon the aggregate amount of money spent by Gladiator over time to acquire the Option. To date, the Company has issued 112,500 finder's fee shares, with a fair value of \$22,500 determined by the market value of the Company's publicly traded common shares on the date of issuance.

The Company capitalized \$28,811 in transaction costs associated with legal fees incurred in the transaction.

6. SHARE CAPITAL

(a) Authorized

The Company has authorized an unlimited number of common shares without par value. As at February 28, 2023, the Company had 20,255,127 common shares outstanding (2022 - 19,142,627).

Fiscal 2022

On February 14, 2023, the Company issued 1,000,000 common shares associated with the acquisition of the Option to acquire the Whitehorse Copper Project (Note 5b). These common shares are subject to a contractual resale restriction for a period of one year. The value of these shares is estimated using an option model to estimate the discount related to the lack of marketability of the shares from the contractual restrictions. The following assumptions were used in the option model: share price of \$0.20, expected life of 1 year, expected volatility of 104%, risk free rate of 4.27% and a dividend yield of 0%.

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On February 14, 2023, the Company issued 112,500 finder's fee common shares associated with the Option (Note 5b).

During the year ended February 28, 2023, the Company received \$95,200 of proceeds for a private placement that closed subsequent to year-end (note 12).

Fiscal 2021

On October 8, 2021, the Company completed a non-brokered private placement of 8,499,994 at a price of \$0.28 per unit for gross proceeds of \$2,379,998 and incurred share issue costs \$76,904. Each unit consists of one common share and one-half of one common share purchase warrant (4,249,991 warrants issued) with each whole warrant being exercisable by the holder to purchase one additional common share at a price of \$0.40 per common share for a period of twenty-four months from the date of issuance.

On October 8, 2021, the Company issued 5,386,160 common shares in connection with the Share Exchange Agreement with Bangles (Note 5a).

(b) Escrow shares

As at February 28, 2023, there were 180,000 common shares being held in escrow (2022 - 225,000) and are subject to a TSX-V mandated CPC Escrow Agreement. The CPC escrow shares will be released as follows:

Date of Automatic Release	Escrow Shares Released	Remaining Shares in Escrow
April 12, 2022	45,000	225,000
October 12, 2022	45,000	180,000
April 12, 2023	45,000	135,000
October 12, 2023	45,000	90,000
April 12, 2024	45,000	45,000
May 31, 2023	45,000	-

In connection with the Transaction with Bangles, there was an escrow agreement placed on the 5,000,000 common shares issued as payment shares. As at February 28, 2023, there were 3,000,000 common shares being held in escrow (2022 - 4,500,000). These escrow shares will be released as follows:

Date of Automatic Release	Escrow Shares Released	Remaining Shares in Escrow
October 12, 2021	500,000	4,500,000
April 12, 2022	750,000	3,750,000
October 12, 2022	750,000	3,000,000
April 12, 2023	750,000	2,250,000
October 12, 2023	750,000	1,500,000
April 12, 2024	750,000	750,000
October 12, 2024	750,000	-

In connection with the acquisition of the Option to acquire the Whitehorse Copper Project, there was an escrow agreement placed on the 1,000,000 common shares issued as payment shares. As at February 28, 2023, there are 1,000,000 common shares being held in escrow to be released on the one-year anniversary of their issuance date.

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(c) Stock options

The Company adopted a stock option plan (the "Stock Option Plan") under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares.

On February 27, 2023, the Company issued 900,000 stock options to certain directors, officers, and consultants at an exercise price of \$0.35 per share for a period of 5 years. Of these options, 150,000 are subject to vesting terms whereby they will vest 25% every three months. The fair value of \$222,822 for the stock options was determined using the Black-Scholes options pricing model using the following assumptions: expected life of 5 years, volatility of 72%, annual rate of dividends of 0.00%, and a risk-free rate of 1.27%. In the year ended February 28, 2023, \$185,875 was recognized as share-based compensation for options vested and the remaining \$36,947 will be recognized in future reporting periods as the remaining options vest.

During the year ended February 28, 2022, the Company issued 1,200,000 stock options to certain directors, officers, and consultants at an exercise price of \$0.28 per share for a period of 5 years. The fair value of \$277,468 for the stock options was determined using the Black-Scholes options pricing model using the following assumptions: expected life of 5 years, volatility of 68%, annual rate of dividends of 0.00%, and a risk-free rate of 1.22%.

Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price on the TSX-V. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model.

A summary of the status of the Company's stock options at February 28, 2023 and 2022 and changes during the years then ended are as follows:

	February 28, 2023		February 28, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	1,200,000	\$0.28	-	-
Forfeited	(150,000)	\$0.28	-	-
Granted	900,000	\$0.35	1,200,000	\$0.28
Outstanding, end of year	1,950,000	\$0.33	1,200,000	\$0.28

A summary of the Company's stock options as at February 28, 2023 is as follows:

Expiry Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable (vested)
October 12, 2026	\$0.28	1,050,000	3.62	1,050,000
February 27, 2023	\$0.35	900,000	5.00	862,500
		1,950,000		1,912,500

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(d) Warrants

As at February 28, 2023, there were 4,249,991 share purchase warrants outstanding (2022 - 4,249,991). Each share purchase warrant is exercisable at a price of \$0.40 per common share. These warrants expire October 8, 2023.

7. RELATED PARTY TRANSACTIONS

The Company's related party transactions during the years ended February 28, 2023 and 2022, consist of directors, officers, and the following companies with common directors:

Related Party	Nature of Transactions
CDM Capital Partners Inc. (Director, former CEO & CFO)	Rent
Chelmer Consulting Corp. (Director)	Consulting fees
S2K Capital Corp. (Director)	Consulting fees
Roma Capital Corp. (Officer)	Consulting fees
BR Corporation (Director & Officer)	Consulting fees

As at February 28, 2023, the Company had \$96,875 outstanding in accounts payable and accrued liabilities (2022 - \$37,500) associated with related parties. These amounts are non-interest bearing and due on demand.

Key Management Compensation

Key management personnel are persons responsible for planning, directing, and controlling the activities of the Company, and include certain directors and officers. Key management compensation is comprised of:

	Year ended February 28, 2023	Year ended February 28, 2022
Consulting fees	\$ 170,000	\$ 142,500
Share based payments	49,509	208,101
Rent (included in general and administrative)	-	5,250
	\$ 219,509	\$ 355,851

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8. INCOME TAXES

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 27% (2021 - 27%) as follows:

	2023	2022
Net loss for the year	\$ (3,513,423)	\$ (578,046)
Statutory income tax rate	27%	27%
Income tax recovery at Canadian statutory rate	(948,624)	(156,072)
Items not deductible for tax purposes	50,421	74,916
Under provided in prior years	1,189	2,880
Unused tax losses	892,261	99,050
Origination and reversal of temporary differences	4,753	(20,774)
Total income tax recovery	\$ -	\$ -

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

	2023	2022
Non-capital losses	\$ 4,109,870	\$ 783,257
Share issuance costs	59,184	81,124
	\$ 4,169,054	\$ 864,381

The non-capital losses of the Company begin expiring in 2031.

9. SEGMENTED INFORMATION

The Company has one operating segment, the exploration and evaluation of resource properties. For the year ended February 28, 2023, the mineral property interests are located in Canada and the corporate office is located in Canada.

10. SUPPLEMENTAL CASH FLOW INFORMATION

	Year ended February 28, 2023	Year ended February 28, 2022
Shares issued for exploration properties	\$ 179,444	\$ 1,992,879
Bangles loan forgiven	\$ -	\$ 250,000
Taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

11. MANAGEMENT OF CAPITAL

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital and deficit.

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The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements. There has been no change to the Company's approach to capital management during the year ended February 28, 2023.

12. SUBSEQUENT EVENTS

On March 14, 2023, the Company completed a non-brokered private placement of 3,400,000 flow through common shares at a price of \$0.37 and 5,262,855 units at a price of \$0.35 per unit for gross proceeds of \$3,100,000. Each unit is comprised of one common share and one half of one common share purchase warrant. Each warrant will be exercisable at a price of \$0.55 into one common share for a period of 18 months from the date of issuance (expiry date – September 14, 2024). As of February 28, 2023, \$95,200 of these proceeds have been received (note 6).

Subsequent to year-end, 131,500 share purchase warrants were exercised with an exercise price of \$0.40 for total proceeds of \$52,600.