Nevada Organic Phosphate Inc.
(Formerly “Silver Eagle Mines Inc.”)

(An Exploration Stage Company)

Unaudited Condensed Interim Consolidated Financial Statements

For the Three and Six Months ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

Notice to Reader

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management of Nevada Organic Phosphate Inc.

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

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(Formerly "Silver Eagle Mines Inc.")
Unaudited Condensed Interim Consolidated Statements of Financial Position
As at October 31, 2023 and April 30, 2023
(Expressed in Canadian Dollars)

	As at October 31, 2023	As at April 30, 2023
	$	$
Assets		
Current Assets		
Cash	**26,826**	334,802
GST receivable	**28,805**	14,028
Prepaid expenses	**12,810**	118,413
Total Current Assets	**68,441**	467,243
Deposit on exploration and evaluation assets (Note 4)	**22,371**	22,371
Total Assets	**90,812**	489,614
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	**56,940**	45,454
Total Liabilities	**56,940**	45,454
Shareholders' Equity		
Share capital (Note 5)	**1,732,215**	1,725,015
Reserve for options (Note 6)	**64,680**	76,994
Accumulated deficit	**(1,763,023)**	(1,357,849)
Total Shareholders' Equity	**33,872**	444,160
Total Liabilities and Shareholders' Equity	**90,812**	489,614

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

Approved and authorized for issue by the Board of Directors

On behalf of the Board:

"Robin Dow" Director *"Eric Szustak"* Director

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

Nevada Organic Phosphate Inc.

(Formerly "Silver Eagle Mines Inc.")
Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
For the Three and Six Months ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Three Months ended		Six Months ended	
	October 31, 2023	October 31, 2022	**October 31, 2023**	October 31, 2022
	$	$	**$**	$
Expenses				
Bank charges and interest	**392**	216	**552**	1,585
Consulting fees	**29,900**	-	**48,799**	-
Contract fees	**16,083**	1,650	**22,982**	6,588
Directors' fees (Note 8)	**5,000**	-	**8,500**	-
Exploration and evaluation expenses	**54,595**	79,996	**83,286**	106,770
Insurance expenses	**2,850**	-	**5,700**	-
Investor relations contract fees	**37,771**	11,544	**88,271**	21,044
Management fees (Note 8)	**27,000**	21,279	**46,000**	29,279
Office and general	**1,960**	1,911	**3,940**	2,758
Other expenses (recoveries)	**(8,250)**	-	**5,333**	(3,076)
Professional fees	**42,848**	19,933	**49,459**	101,173
Regulatory fees	**11,335**	22,669	**15,909**	30,725
Stock-based compensation (Note 6)	**-**	-	**24,963**	98,785
Travel and promotion	**39,615**	27,466	**40,557**	31,532
Total Expenses	**(261,099)**	(186,664)	**(444,251)**	(427,163)
Gain on debt settlement (Notes 5 and 8)	**1,800**	-	**1,800**	-
Net Loss and Comprehensive Loss	**(259,299)**	(186,664)	**(442,451)**	(427,163)
Weighted Average Number of Outstanding Shares				
- Basic and diluted	**37,485,531**	34,621,040	**37,436,618**	32,161,567
Net Loss per Share				
- Basic and diluted	**(0.007)**	(0.005)	**(0.012)**	(0.013)

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

Nevada Organic Phosphate Inc.
(Formerly "Silver Eagle Mines Inc.")
Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the Three and Six Months ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Three Months ended		Six Months ended	
	October 31, 2023	October 31, 2022	**October 31, 2023**	October 31, 2022
	$	$	**$**	$
Operating Activities				
Net loss for the period	**(259,299)**	(186,664)	**(442,451)**	(427,163)
Adjustments for non-cash items:				
Services paid in shares (Note 5)	**-**	-	**-**	20,000
Gain on debt settlement (Notes 5 and 8)	**(1,800)**	-	**(1,800)**	-
Stock-based compensation (Note 6)	**-**	-	**24,963**	98,785
	(261,099)	(186,664)	**(419,288)**	(308,378)
Net change in non-cash working capital items:				
GST receivable	**2,746**	13,006	**1,218**	(1,748)
Prepaid expenses	**55,175**	-	**89,608**	(106,996)
Accounts payable and accrued liabilities	**39,275**	9,337	**20,486**	(13,134)
Cash Flow (used in) Operating Activities	**(163,900)**	(164,321)	**(307,976)**	(430,256)
Financing Activities				
Proceeds from issuance of common shares (Note 6)	**-**	-	**-**	814,980
Proceeds from issuance of special warrants (Note 7)	**-**	-	**-**	41,311
Cash Flow provided by Financing Activities	**-**	-	**-**	856,291
(Decrease) increase in cash	**(163,900)**	(164,321)	**(307,976)**	426,035
Cash, beginning of period	**190,726**	710,348	**334,802**	119,992
Cash, end of period	**26,826**	546,027	**26,826**	546,027

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

Nevada Organic Phosphate Inc.

(Formerly "Silver Eagle Mines Inc.")
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the Six Months ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Special Warrants	Share Subscriptions	Reserve for Options	Accumulated Deficit	Total
	#	$	$	$	$	$	$
Balance, April 30, 2022	**13,664,440**	**524,990**	**5,135**	**80,000**	**-**	**(427,906)**	**182,219**
Shares issued for cash (Note 5)	18,164,000	894,980	-	(80,000)	-	-	814,980
Shares issued for costs (Note 6)	911,600	-	-	-	-	-	-
Shares issued for services (Note 5)	400,000	20,000	-	-	-	-	20,000
Shares issued for debt settlement (Note 5)	1,481,000	74,050	-	-	-	-	74,050
Stock-based compensation (Note 6)	-	-	-	-	98,785	-	98,785
Special warrants issued (Note 7)	-	-	41,311	-	-	-	41,311
Net loss for the period	-	-	-	-	-	(427,163)	(427,163)
Balance, October 31, 2022	**34,621,040**	**1,514,020**	**46,446**	**-**	**98,785**	**(855,069)**	**804,182**
Balance, April 30, 2023	**37,387,705**	**1,725,015**	**-**	**-**	**76,994**	**(1,357,849)**	**444,160**
Shares issued for debt settlement (Note 5)	180,000	7,200	-	-	-	-	7,200
Stock-based compensation (Note 6)	-	-	-	-	24,963	-	24,963
Cancellation of stock options (Note 6)	-	-	-	-	(37,277)	37,277	-
Net loss for the period	-	-	-	-	-	(442,451)	(442,451)
Balance, October 31, 2023	**37,567,705**	**1,732,215**	**-**	**-**	**64,680**	**(1,763,023)**	**33,872**

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

1. Nature of Operations and Going Concern

Nevada Organic Phosphate Inc. (the "Company) was incorporated as Silver Eagle Mines Inc. in the Province of British Columbia on May 28, 2018. On May 3, 2023, the Company changed its name to Nevada Organic Phosphate Inc. to better reflect its nature of business. The Company's common shares are listed on the Canadian Securities Exchange under the ticker symbol "NOP". The Company's head office address is located at 408 – 150 24th Street West, Vancouver, British Columbia, V7V 4G8, Canada.

The Company is an exploration stage junior mining company that engages in the identification, acquisition, evaluation and exploration of agricultural minerals, precious and base metals with mineral properties in the United States (the "U.S."). Exploration and evaluation efforts are dependent on the ability of the Company to obtain the necessary financing to acquire claims, complete the exploration and evaluation of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these reserves, and upon attaining future profitable production from any acquired properties or sufficient proceeds from disposition of any properties.

Although the Company has taken steps to verify title to the mineral resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, undetected defects, unregistered claims, native land claims, and non-compliance with regulatory and environmental requirements.

These unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business.

As at October 31, 2023, the Company had cash of $26,826 (April 30, 2023 – $334,802), working capital of $11,501 (April 30, 2023 – $421,789) and an accumulated deficit of $1,763,023 (April 30, 2023 – $1,357,849). The Company's solvency, ability to meet its liabilities as they become due, and to continue its operations, is dependent on funding provided by investors. There is no assurance that the Company will receive such funding, or that the funding will be on terms favorable to the Company. If the Company is unable to raise additional capital in the immediate future, the Company may need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. These conditions may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

2. Basis of Preparation

2.1 Statement of Compliance

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and interpretations of the IFRS Interpretations Committee. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting ("IAS 34").

These unaudited condensed interim consolidated financial statements were reviewed, approved, and authorized for issuance by the Board of Directors (the "Board") of the Company on December 29, 2023.

2.2 Basis of Presentation

These financial statements have been prepared in accordance with IFRS, on the historical cost basis except for financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These financial statements are presented in Canadian dollars, which is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates.

2. Basis of Preparation (continued)

2.3 Statement of Consolidation

These financial statements include the accounts of the Company and its Nevada-based wholly-owned subsidiary, Nevada Phosphate Inc. ("NVP") and include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiary after eliminating inter-entity balances and transactions.

2.4 Significant Accounting Judgments, Estimates and Assumptions

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known. Items for which actual results may differ materially from these estimates are described as follows:

Going concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends. Management believes there is sufficient capital to meet the Company's business obligations for at least the next 12 months, after taking into account expected cash flows, capital commitments, future financings and the cash position at period-end.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities on the consolidated statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Share-based payments and warrant valuations

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statements of loss and comprehensive loss over the vesting period. Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. If all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

The Company relies on the fair value obtained by applying the Black-Scholes option pricing model ("Black-Scholes"). This model requires making assumptions related to the risk-free interest rate (with a term that matches the expected life of the options), the expected stock price volatility, the expected life of the options and warrants and the expected dividend yield on the Company's shares. Management also must estimate the number of options and warrants that will eventually vest. Management relies on experience to make these estimates.

2. Basis of Preparation (continued)

2.4 Significant Accounting Judgments, Estimates and Assumptions (continued)

Technical feasibility and commercial viability

Management exercises judgment, in accordance with IFRS 6 – Exploration for and Evaluation of Mineral Resources, to determine an accounting policy specifying which expenditures, if any, are capitalized as exploration and evaluation ("E&E") assets, and to apply the policy consistently. E&E expenditures not capitalized as E&E assets are expensed as incurred. Once the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, an entity stops recording E&E expenditures for that mineral project, tests capitalized E&E assets, if any, for impairment, and reclassifies those E&E assets to other applicable development-stage accounts. An assessment of technical feasibility and commercial viability is conducted on a project-by-project basis with regard to all relevant facts and circumstances. The nature and status of the mineral project is determined on the merits of the mineral project itself.

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Expected credit losses on financial assets

Determining an allowance for expected credit losses for amounts receivable and all debt financial assets not held at fair value through profit and loss requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

Functional currency

The functional currency for the Company and its subsidiary is the currency of the primary economic environment in which they operate. Determination of functional currency involves significant judgments and other entities may make different judgments based on similar facts. The Company reconsiders periodically the functional currency of its businesses if there is a change in the underlying transactions, events or conditions which determine its primary economic environment.

3. Summary of Significant Accounting Policies

The accounting policies applied by the Company in these financial statements are the same as those disclosed in Note 3 of the Company's audited consolidated financial statements for the years ended April 30, 2023 and 2022, unless otherwise noted below.

3.1 Adoption of New Accounting Standards

The Company adopted the following amendments, effective May 1, 2023. The changes were made in accordance with the applicable transitional provisions. The Company had assessed that there was no material impact upon the adoption of these following amendments on its financial statements:

3. Summary of Significant Accounting Policies (continued)

3.1 Adoption of New Accounting Standards (continued)

Amendments to IAS 1 – Presentation of Financial Statements ("IAS 1")

In January 2020, the IASB issued amendments to IAS 1 which clarify the requirements for classifying liabilities as either current or non-current by: (i) specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists; (ii) clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services; (iii) clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and (iv) clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa, which could impact an entity's loan covenants.

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")

In May 2020, the IASB issued amendments to update IAS 37. The amendments specify that in assessing whether a contract is onerous under IAS 37, the cost of fulfilling a contract includes both the incremental costs and an allocation of costs that relate directly to contract activities. The amendments also include examples of costs that do, and do not, relate directly to a contract.

Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

In February 2021, the IASB issued *Definition of Accounting Estimates*, which amended IAS 8. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

4. Exploration and Evaluation Assets

In 2019, the Company acquired a conditional 100% undivided interest in the 1,813-acre Murdock Mountain Property in Elko County, Nevada, U.S., covered by Prospecting Application and Permit NVN90747, via the acquisition of NVP for $1. A remaining term of the acquisition is payment of US$150,000 and issue of 250,000 shares upon receipt by NVP of a lease on the Murdock Mountain Property from the Nevada State Bureau of Land Management ("BLM").

The process to get a lease is firstly to obtain an exploration permit which requires the completion by the applicant of an environmental survey and a cultural survey. The completed surveys would be assessed by the BLM who would determine (not guaranteed) if an exploration permit is to be granted. Upon receipt of the exploration permit, the applicant is permitted to perform drilling, trenching, etc. on the subject property. If the results of such work support an applicant's decision to proceed to mining, the applicant would then apply to the BLM for a lease on the subject property. Such a lease would provide the right to exploit the phosphate minerals on / under the property.

The BLM has very far-reaching discretion whether or not to grant a lease. It is by no means a certainty and is therefore conditional – accordingly, no liability for the payment of USD $150,000 nor the issuance of 250,000 shares had been recorded in these financial statements.

As at October 31, 2023, the Company had a deposit of $22,371 (April 30, 2023 – $22,371) with the BLM.

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

Environmental and reclamation obligations

As at October 31, 2023, to the best knowledge of its management, the Company was in conformity with the laws and regulations in effect regarding environment protection and the requirements regarding reclamation of mineral properties and retirement of long-term assets. The Company does not believe it has material reclamation obligations regarding the rehabilitation and restoration as it holds no claims.

5. Share Capital

The Company is authorized to issue an unlimited number of common shares. During the six months ended October 31, 2023 and 2022, the Company had the following share capital transactions:

Share capital transactions for the six months ended October 31, 2023

On September 11, 2023, the Company entered into debt settlement agreements to settle certain outstanding balances owed to certain former directors (the "Debt Settlement"). An aggregate of 180,000 common shares were issued as full settlement in the amount of $9,000 owed by the Company. These common shares were valued at $7,200 based on the closing share price on the day of issuance, and as a result of the Debt Settlement, a gain of $1,800 was recorded in profit and loss.

Share capital transactions for the six months ended October 31, 2022

On May 11, 2022, the Company issued 4,000,000 units (each a "Unit") at $0.05 per Unit for cash consideration of $200,000. A Unit consists of one common share and one warrant to acquire a common share at $0.10 per share until May 11, 2027. The Company issued 400,000 Units valued at $20,000 for share issue costs. The Company further issued 648,000 Units at $0.10 per Unit for cash consideration of $64,800, with each Unit consisting of one common share and one warrant to acquire a common share at $0.20 per share until May 10, 2024. The Company also issued 200,000 common shares valued at $10,000 to certain of its officers in settlement of account payable.

On May 25, 2022, the Company issued 13,516,000 Units for of $0.05 per Unit for cash consideration of $675,800, of which $60,000 was received prior to April 30, 2022 and had been reflected as share subscriptions. A Unit consists of one common share and one warrant to acquire a common share at $0.10 per share until May 25, 2024. The Company issued 511,600 Units valued at $25,580 for share issue costs. The Company also issued (a) 641,000 Units and 500,000 shares valued at $57,050 in settlement of accounts payable, and (b) 400,000 Units valued at $20,000 for services.

On June 9, 2022, the Company issued 140,000 common shares in settlement of accounts payable of $7,000.

5.1 Warrants

The following summarizes the warrant activity for the six months ended October 31, 2023 and 2022:

	2023		2022	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
	#	**$**	#	$
Outstanding, beginning of period	**29,547,705**	**0.10**	7,414,440	0.10
Issued	**-**	**-**	20,116,600	0.10
Outstanding, end of period	**29,547,705**	**0.10**	27,531,040	0.10

(Expressed in Canadian Dollars)

5. Share Capital (continued)

5.1 Warrants (continued)

The following table summarizes information of warrants outstanding as at October 31, 2023:

Date of expiry	Number of warrants outstanding	Exercise price	Weighted average remaining life
	#	$	Years
May 10, 2024	4,400,000	0.10	0.53
May 10, 2024	648,000	0.20	0.53
May 25, 2024	22,527,240	0.10	0.57
January 18, 2025	1,131,000	0.10	1.22
January 18, 2025	208,000	0.20	1.22
February 15, 2025	633,465	0.10	1.30
	29,547,705	**0.10**	**0.61**

On June 24, 2022, the Company extended the date of expiry of 7,414,440 warrants which were due to expire on dates ranging from August 10, 2022 to September 13, 2023, all of which will now expire on May 25, 2024.

6. Reserve for Options

Under the terms of the Company's stock option plan (the "Plan"), all options are granted with an exercise price equal to the closing market price on the day immediately preceding the date of grant. The terms of options are determined by the Board and are typically three or five years with a maximum term of 10 years. Options vest at the discretion of the Board. Options issued to consultants who perform investor relations activities will be subject to a vesting schedule whereby no more than 25% of the options granted may vest in any three-month period.

The maximum number of options authorized for issue shall be 10% of the outstanding shares in issue at the date of the option grant.

The following summarizes the options activity for the six months ended October 31, 2023 and 2022:

	2023		2022	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
	#	$	#	$
Outstanding, beginning of period	**2,750,000**	**0.10**	-	-
Granted	**925,000**	**0.075**	3,400,000	0.10
Cancelled	**(1,000,000)**	**0.10**	-	-
Outstanding, end of period	**2,625,000**	**0.09**	3,400,000	0.10

Options activities for the six months ended October 31, 2023

On June 13, 2023, the Company granted 700,000 options to certain directors. The options are exercisable at a price of $0.075 per common share for a period of five years. The options vested immediately on grant and were valued using Black-Scholes with the following assumptions: expected volatility of 100% based on the estimated volatility from comparable companies, expected dividend yield of 0%, risk-free interest rate of 3.76% and an expected life of five years. The grant date fair value attributable to these options of $18,894 was recorded as stock-based compensation during the six months ended October 31, 2023.

(Expressed in Canadian Dollars)

6. Reserve for Options (continued)

Options activities for the six months ended October 31, 2023 (continued)

On June 20, 2023, the Company granted 225,000 options to an officer and a consultant. The options are exercisable at a price of $0.075 per common share for a period of five years. The options vested immediately on grant and were valued using Black-Scholes with the following assumptions: expected volatility of 100% based on the estimated volatility from comparable companies, expected dividend yield of 0%, risk-free interest rate of 3.69% and an expected life of five years. The grant date fair value attributable to these options of $6,069 was recorded as stock-based compensation during the six months ended October 31, 2023.

During the six months ended October 31, 2023, 1,000,000 stock options previously granted to certain former directors of the Company, exercisable at $0.10 per common share, were cancelled. An amount of $37,277 representing the grant date fair value of these cancelled options, was reallocated to accumulated deficit.

Options activities for the six months ended October 31, 2022

On June 2, 2022, the Company granted 3,400,000 options to certain officers, directors and consultants. The options are exercisable at a price of $0.10 per common share for a period of five years. The options vested immediately on grant and were valued using Black-Scholes with the following assumptions: expected volatility of 90%, expected dividend yield of 0%, risk-free interest rate of 1.39% and an expected life of five years. The grant date fair value attributable to these options of $98,785 was recorded as stock-based compensation during the six months ended October 31, 2022.

The following table summarizes information of stock options outstanding and exercisable as at October 31, 2023:

Date of expiry	Number of options outstanding	Number of options exercisable	Exercise price	Weighted average remaining life
June 2, 2027	1,650,000	1,650,000	0.10	3.59
February 15, 2028	50,000	50,000	0.10	4.30
June 13, 2028	700,000	700,000	0.075	4.62
June 20, 2028	225,000	225,000	0.075	4.64
	2,625,000	**2,625,000**	**0.09**	**3.97**

7. Special Warrants

On May 12, 2022, the Company issued 931,000 special warrants at a price of $0.05 for cash consideration of $41,656 and a holdback receivable of $4,655 (subsequently received). The Company paid $5,239 for special warrant issue fees and issued 200,000 special warrants as compensation. The special warrants are exercisable into Units. Each Unit is comprised of a common share and a share purchase warrant which allows the holder to purchase an additional common share in the authorized capital of the Company for $0.10 for a period of two years following the date of issuance pursuant to the Company becoming a public company or having a corporate event. Upon exercise of the special warrants, 1,131,000 warrants will come into existence with an exercise price of $0.10 per share for 2 years from the date of exercise of the special warrants.

On February 15, 2023, all special warrants were converted in Units in accordance with the terms of the special warrants.

8. Related Party Transactions

In accordance with IAS 24 – Related Party Disclosures, key management personnel include companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

(Expressed in Canadian Dollars)

8. Related Party Transactions (continued)

The Company has determined that key management personnel consist of members of the Board, and its corporate officers, including the Company's Chief Executive Officer ("CEO"), current and former Chief Financial Officer ("CFO"), current and former Corporate Secretary, and companies controlled directly by these parties.

The remuneration of directors and other members of key management personnel during the three and six months ended October 31, 2023 and 2022 were as follows:

	Three Months ended		**Six Months ended**	
	October 31, 2023	October 31, 2022	**October 31, 2023**	October 31, 2022
	$	$	**$**	$
Management fees to CEO	**20,000**	**-**	**35,000**	-
Management fees to Current CFO	**7,000**	**-**	**7,000**	-
Management fees to Former CFO	**-**	**12,750**	**4,000**	12,750
Management fees to Current Corporate Secretary	**6,824**	**-**	**8,824**	-
Management fees to Former Corporate Secretary	**-**	**8,529**	**-**	16,529
Directors' fees	**5,000**	**-**	**8,500**	-
Stock-based compensation to directors	**-**	**-**	**22,940**	94,428
	38,824	**21,279**	**86,264**	123,707

Included in accounts payable and accrued liabilities as at October 31, 2023, is an amount of $5,503 owing to the Company's CEO, and $7,000 owing to directors (including accrued directors' fees of $5,000) (April 30, 2023 – $4,994).

Other related party transactions

On September 11, 2023, the Company entered into Debt Settlement to settle certain outstanding balances owed to certain former directors (see Note 5 for details). As a result of the Debt Settlement, a gain of $1,800 was recorded in profit and loss.

9. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets.

In order to maximize ongoing capital management efforts, the Company does not currently pay out any dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company.

The Company currently is not subject to externally imposed capital requirements.

10. Financial Instruments and Risk Management

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

10. Financial Instruments and Risk Management (continued)

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. The Company's credit risk is primarily attributable to cash and amounts due from related parties. The Company deposits cash with reputable financial institutions as determined by rating agencies. As a result, management believes that the credit risk concentration with respect to cash is minimal. The Company has also determined that the credit risk associated with the amounts due from related parties, if any, is insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company endeavors to have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted. As at October 31, 2023, the Company had a cash balance of $26,826 (April 30, 2023 – $334,802) to settle current liabilities of $56,940 (April 30, 2023 – $45,454).

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its liabilities as they come due. Management believes there is sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash position as at October 31, 2023.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at October 31, 2023, the Company had no financial instruments which are interest-bearing, and had no hedging agreements in place with respect to floating interest rates. Management believes that the interest rate risk concentration with respect to financial instruments is minimal.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company's operations are based in the U.S., and will have, from time to time, transactions denominated in foreign currencies, primarily in U.S. dollars. The Company's primary exposure to foreign exchange risk is that transactions denominated in foreign currency may expose the Company to the risk of exchange rate fluctuations. Based on its current operations, management believes that the foreign exchange risk remains minimal.

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.

As at October 31, 2023, the Company's financial instruments consisted of cash and accounts payable and accrued liabilities. The fair value of cash and accounts payables and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

10. Financial Instruments and Risk Management (continued)

Fair value (continued)

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at October 31, 2023, the Company did not have any financial instruments which were carried at fair value (April 30, 2023 – $nil).

11. Subsequent Events

On December 6, 2023, the Company closed the first tranche of its previously announced non-brokered private placement for gross aggregate proceeds of $105,000 (the "First Tranche") through the issuance of 2,100,000 Units at a price of $0.05 per Unit. Each Unit consists of one common share in the capital of the Company and one Warrant, with each Warrant entitling the holder thereof to purchase one additional common share at a price of $0.10 for a period of 60 months following the date of issuance.

Fees of $8,500 were paid and 170,000 finder's units were issued (the "Finder's Units") to certain finders in connection with the First Tranche. Each Finder's Unit consists of one common share and one finder's Share purchase warrant (each, a "Finder's Warrant"), with each Finder's Warrant entitling the holder thereof to purchase one common share at a price of $0.10 for a period of 60 months following the date of issuance.