HERTZ LITHIUM INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2023 AND 2022 (UNAUDITED)

(Expressed in Canadian Dollars)

HERTZ LITHIUM INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note		As at April 30, 2023		July 31, 2022
ASSETS					
Current assets					
Cash and cash equivalent		**$**	**1,074,672**	$	116,793
Prepaid expenses			**118,740**		16,039
Total current assets			**1,193,412**		132,832
Exploration and evaluation properties	4		**556,933**		76,490
Total assets		**$**	**1,750,345**	$	209,322
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	7	**$**	**235,506**	$	44,495
Due to related parties	6		**124,305**		110,133
			359,811		154,628
Non-current liabilities					
Due to related parties	6		**106,948**		-
Total liabilities			**466,759**		154,628
SHAREHOLDERS' EQUITY					
Share capital	5		**2,068,065**		166,037
Subscriptions received	5		**-**		86,250
Reserves			**286,997**		-
Accumulated other comprehensive loss			**(1,949)**		-
Deficit			**(1,069,527)**		(197,593)
Total shareholders' equity			**1,283,586**		54,694
Total liabilities and shareholders' equity		**$**	**1,750,345**	$	209,322

Going concern (*Note 1*)
Subsequent events (*Note 12*)

APPROVED BY THE BOARD OF DIRECTORS ON June 29, 2023

ON BEHALF OF THE BOARD

/s/ Bala Pratap Reddy
Bala Pratap Reddy, Director

/s/ Robert W. Barker
Robert W. Barker, Director

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

HERTZ LITHIUM INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

		For the three months ended		For the nine months ended	
	Note	**April 30, 2023**	April 30, 2022	**April 30, 2023**	April 30, 2022
Expenses:					
Stock based payments		**$ 124,289**	$ 2,490	**$ 222,667**	$ 2,490
Management fee	6	**82,950**	-	**198,450**	-
Legal fees		**88,726**	-	**118,701**	-
Advertisement and marketing		**17,953**	-	**84,178**	-
Transfer agent and filing fees		**-**	-	**71,871**	-
Accounting fees	6	**22,387**	-	**50,484**	-
Director fees	6	**9,127**	-	**44,769**	-
Consulting fees	6	**8,200**	-	**25,480**	-
Technology license fee		**-**	-	**23,278**	-
Investor relations		**22,407**	-	**22,407**	-
Office, telephone and miscellaneous		**1,105**	412	**2,578**	412
Property investigation		**-**	3,000	**-**	3,000
Total expenses		**377,144**	5,902	**864,863**	5,902
Other income (expenses):					
Foreign exchange loss		**(12,359)**	-	**(7,071)**	-
Net Loss		**$ (389,503)**	$ (5,902)	**$ (871,934)**	$ (5,902)
Other comprehensive income (loss)					
Foreign exchange translation gain (loss)		**5,003**	-	**(1,949)**	-
Net loss and Comprehensive loss for the period		**(384,500)**	**(5,902)**	**(873,883)**	(5,902)
Net loss per share, basic and diluted		**$ (0.02)**	$ (5,902)	**$ (0.05)**	$ (5,902)
Weighted average number of shares outstanding		**20,772,057**	1	**17,160,250**	1

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

HERTZ LITHIUM INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Share capital			Reserves				
	Number of shares	Amount	Subscriptions received	Share-based payment reserve	Warrant reserve	Accumulated other comprehensive loss	Deficit	Total
	(Note 5)							
Balance July 31, 2021	**1**	$ -	$ -	$ -	$ -	$ -	**$ (1,320)**	**$(1,320)**
Share issued for private placement	7,140,000	178,500	-	-	-	-	-	178,500
Share issuance cost	-	(12,463)	-	-	-	-	-	(12,463)
Subscriptions received	-	-	86,250	-	-	-	-	86,250
Net loss	-	-	-	-		-	(196,273)	(196,273)
Balance, July 31, 2022	**7,140,001**	**$ 166,037**	**$86,250**	**$ -**	**$ -**	**$ -**	**$ (197,593)**	**$54,694**
Shares issued for private placement	4,045,000	$480,625	(86,250)	-	-	-	-	$ 394,375
Shares issuance cost for private placement	-	(4,617)	-	-	-	-	-	(4,617)
Shares issued for property acquisition	6,240,000	180,000	-	-	-	-	-	180,000
Shares issued in IPO	12,852,000	1,606,500	-	-	-	-	-	1,606,500
Shares issued to IPO agent	200,000	25,000	-	-	-	-	-	25,000
Share issuance cost for IPO	-	(385,480)	-	-	64,330	-	-	(321,150)
Fair value of stock options granted	-	-	-	222,667	-	-	-	222,667
Net and comprehensive loss	-	-	-	-	-	(1,949)	(871,934)	(873,883)
Balance, April 30, 2023	**30,477,001**	**$2,068,065**	**$ -**	**$222,667**	**$64,330**	**$(1,949)**	**$(1,069,527)**	**$(1,283,586)**

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

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

	For the period ended April 30,	
	2023	2022
Cash Provided By (Used In)		
Operating Activities		
Net loss for the period	**$ (871,934)**	$ (5,902)
Adjustment for non-cash item:		
Stock based payments	**222,667**	2,490
Changes in working capital:		
Decrease in prepaid expenses	**(102,701)**	-
Increase in due to related parties	**14,172**	-
Increase in accounts payable and accrued liabilities	**191,011**	3,000
Net cash used in operating activities	**(546,785)**	(412)
Investing Activities		
Exploration and evaluation asset expenditures	**(300,443)**	-
Net cash used in investing activities	**(300,443)**	**-**
Financing Activities		
Proceeds from issuance of common shares	**2,000,875**	66,250
Cash share issuance cost	**(300,767)**	-
Long term loan from related party	**106,948**	-
Net cash provided by financing activities	**1,807,056**	66,250
Increase in cash	**959,828**	65,838
Foreign currency translation	**(1,949)**	-
Cash, beginning of the period	**116,793**	-
Cash, end of the period	**$ 1,074,672**	$65,838

Supplemental cash flow information (Note 8)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Hertz Lithium Inc. (the “Company”) was incorporated February 15, 2019, in the province of British Columbia, Canada as Hybrid Ventures Inc., and on January 24, 2022, the Company changed its name to Hertz Lithium Inc. The Company’s head office and registered address is located at 1055 West Georgia Street, 1500 Royal Centre, Vancouver, British Columbia, V6E 4N7, Canada.

On February 9, 2022, the Company incorporated its wholly owned subsidiary, Hertz Lithium USA LLC. (“Hertz US”) in the state of Utah to undertake exploration activities in the USA.

The Company’s common shares are traded on the Canadian Securities Exchange (“CSE”) under the symbol “HZ” and the Frankfurt Stock Exchange (the “FSE”) under the symbol “QE2”.

The Company is engaged in the exploration and development of mineral resources, currently focusing on projects in Arizona, USA. Currently, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through public and private share offerings. It is not known whether the Company’s mineral properties contain reserves that are economically recoverable. The recoverability of amounts recorded by the Company for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability to raise funding for continued exploration and development, the completion of property option expenditures and acquisition requirements, or from proceeds from disposition.

These interim condensed consolidated financial statements for the three and nine months period ended April 30, 2023 (the “Financial Statements’) have been prepared with the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to meet its obligations and maintain its current operations through the ensuing twelve-month period and thereafter is contingent upon successful completion of additional financing arrangements and ultimately upon the discovery of proven reserves and generating profitable operations.

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company’s future capital requirements will depend on many factors, including the costs of exploring and developing its resource properties, operating costs, the current capital market environment and global market conditions. As at April 30, 2023, the Company has not generated positive operating income and has a cumulative deficit of $1,069,527. Consequently, there is a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. For significant expenditures and resource property development, the Company will depend almost exclusively on outside capital. Such outside capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company’s operating commitments and further exploration and development plans.

The Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

Basis of preparation

These Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 10, and are presented in Canadian dollars except where otherwise indicated.

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports including International Accounting Standards ("IAS") 34 Interim Financial Reporting.

The preparation of the Financial Statements is based on accounting principles and methods consistent with those used in the preparation of the audited consolidated financial statements as at July 31, 2022. The Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2022. The Company's interim results are not necessarily indicative of its results for a full year.

Basis of consolidation

These Financial Statements include the accounts of the Company and its subsidiary, Hertz US. The financial statements of the Company's subsidiaries have been consolidated from the date of incorporation of Hertz US. All intercompany balances and transactions have been eliminated upon consolidation.

The Financial Statements were approved and authorized for issue in accordance with a resolution from the Board of Directors on June 28, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these Financial Statements are identical to those used in the preparation of the audited consolidated financial statements for the year ended July 31, 2022.

Critical accounting judgments, estimates and assumptions.

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

Areas of significant judgement and estimates made by management for the three and nine months ended April 30, 2023 in the application of IFRS that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Note 3 of the Company's audited consolidated financial statements for the year ended July 31, 2022.

(Unaudited - Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation properties are as follows:

	Lucky Mica Project, Arizona
Balance July 31, 2021	**$ -**
Acquisition Cost:	
Cash payment	38,965
	38,965
Exploration and evaluation expenditures:	
Claim maintenance fee	24,510
Geological exploration expense	13,015
	37,525
Balance July 31, 2022	**76,490**
Acquisition cost:	
Shares issued	180,000
Cash payment	40,428
	220,428
Exploration and evaluation expenditures:	
Consulting expenses	18,882
Geological exploration expense	35,539
Testing and assaying	1,594
Prepayment*	204,000
	260,015
Balance April 30, 2023	**$ 556,933**

*Prepayment of $204,000 consist of advance paid dated April 21, 2023 to Longford Exploration Services for summer phase – 1 exploration on the Lucky Mica project, Arizona.

On April 21, 2022, the Company entered into a property purchase agreement with Utah Mineral Resources LLC ('UMR') and Bullrun Capital Inc. ("Bullrun") to acquire an undivided 100% beneficial interest in 112 mineral claims located in the State of Arizona, USA. UMR and Bullrun collectively referred as the Vendor #1. Bullrun is controlled by an officer who is also the director of the Company. Pursuant to the agreement, the Company is required to make the following payments:

a) Payment of USD150,000 (outstanding) in cash within 12 months of the effective date (April 21, 2023). Subsequent to the nine months ended April 30, 2023, the Vendor #1 agreed extend the payment date to April 21, 2024.

b) Issue of 6,000,000 common shares (issued on August 29, 2022 at a value of $150,000) at a deemed price of $0.025 per share on the closing date August 29, 2022.

The Company also agreed to pay a 3% of Net Smelter Returns ("NSR Royalty") to the Vendor #1 upon commencement of commercial production from these claims. The NSR Royalty may be reduced at any time from 3% to 2% by paying $1,000,000 to UMR.

On June 8, 2022, the Company entered into another property purchase agreement with Marco Montecinos, Steve Hodges, and Jimmy Hodges (the "Vendor #2') to acquire an undivided 100% beneficial interest in 2 mineral claims located in the State of Arizona, USA in lieu of the following considerations:

4. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Payment of USD30,000 (paid $38,965 on July 7, 2022) in cash on effective date June 8, 2022.
b) Payment of USD30,000 (paid $40,428 on September 22, 2022) in cash within 6 months of the effective date: December 8, 2022.
c) Issue 240,000 common shares (issued on April 6, 2023) for a value of $30,000 (Note 5).

The Company agreed to pay the Vendor #2 the NSR Royalty of 1% upon commencement of commercial production from these claims. The NSR Royalty may be extinguished at any time by paying $300,000 to the Vendor #2.

5. SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

As at April 30, 2023, the Company has 30,477,001 (July 31, 2022 – 7,140,001) common shares issued and outstanding.

Private Placement Financing and Share Issuances

During the nine months ended April 30, 2023, the Company had the following share transactions:

On August 16, 2022, the Company issued 250,000 common shares at a price of $0.025 per share for total gross proceeds of $6,250.

On August 29, 2022, pursuant to the property agreement dated April 21, 2022, the Company issued 6,000,000 common shares at a deemed price of $0.025 for a total value of $150,000 and paid $387 share issuance cost in connection with the acquisition of 112 mineral claims located at the Arizona USA. (Note 4)

On September 8, 2022, the Company closed a private placement and issued 3,795,000 units at a price of $0.125 for gross proceeds of $474,375 of which $86,250 was received before the year ended July 31, 2022. Each unit comprises of one common share and one common share purchase warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.25 per share for a period of 24 months following the date of unit issuance. The Company has allocated 100% proceeds to common share and $Nil to share purchase warrants by adopting the residual approach. The Company has paid $4,229 in cash as share issuance cost related to this financing.

On April 5, 2023, pursuant to the property purchase agreement dated June 8, 2022, the Company issued 240,000 common shares for a total value of $30,000 based on the Company's per share price at the IPO discussed below.

On April 6, 2023, the Company closed its initial public offering (the "IPO") pursuant to its prospectus dated February 16, 2023 (the "Prospectus") filed with the securities commissions in each of the provinces of Canada, except Quebec. The Offering consisted of the sale of 12,852,000 units (each, a "Unit") at a price of $0.125 per Unit, for aggregate gross proceeds of $1,606,500. Each Unit consisted of one common share in the capital of the Company (a "Share") and one Share purchase warrant (a "Warrant"). Each Warrant is exercisable by the holder to acquire one additional Share at a price of $0.25 per Share for a period of two years from the date of issuance. The Company has allocated 100% proceeds to common share and $Nil to share purchase warrants by adopting the residual approach.

(Unaudited - Expressed in Canadian dollars)

In connection with the IPO, the Company (i) issued the agent an aggregate of 899,640 compensation warrants valued at $64,330, each of which is exercisable into one Share at an exercise price of $0.125 for a period of two years from the date of issuance, and (ii) paid the agent a corporate finance fee of $50,000 consist of $25,000 in cash and $25,000 in common shares. Additionally, the Company has paid $271,149 in cash as share issuance costs.

On April 6, 2023, pursuant to the agency agreement dated September 6, 2022, for the Offering, the Company Issued 200,000 common shares for a total value of $25,000 based on the per share price issued at the IPO.

During the year ended July 31, 2022, the Company had the following capital transactions:

On July 13, 2022, the Company issued 7,140,000 common shares at a price of $0.025 per share for gross proceeds of $178,500 and paid share issuance costs of $12,462 in relation to the closing of this private placement, which includes $11,698 as legal fee.

Stock Options

On August 29, 2022, the Company adopted and approved a stock option plan for directors, officers, employees, consultants or subsidiaries of the Company (the "Stock Option Plan"). The plan provides that the aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued and outstanding common shares at the time the options are granted.

On September 30, 2022, the Company granted an aggregate of 1,700,000 incentive stock options to directors, officers and consultants as per the Company's Stock Option Plan, with an exercise price of $0.125 per share for a period of five years from the date of grant. Out of the total options granted, 631,250 options were fully vested immediately at the grant date and the remaining 1,068,750 options will vest over a period of two years. The stock options were valued at $0.10 per option using Black-Scholes Option Pricing model with the following assumptions: average risk-free rate – 3.32%; expected life – 5 years; expected volatility – 113.14%; forfeiture rate – Nil and expected dividends – $Nil. Volatility was estimated by using the historical volatility of other companies in the same industry during a similar period. For the three and nine months ended April 30, 2023, the Company recorded $18,175 and $116,552 as share-based compensation expense for the fair value vested.

On April 20, 2023, the Company granted an aggregate of 750,000 incentive stock options to officers and consultants as per the Company's Stock Option Plan, with an exercise price of $0.125 per share for a period of two years from the date of grant. All stock options vested immediately. The stock options were valued at $0.14 per option using Black-Scholes Option Pricing model with the following assumptions: average risk-free rate – 3.15%; expected life – 2 years; expected volatility – 158.02%; forfeiture rate – Nil and expected dividends – $Nil. Volatility was estimated by using the historical volatility of other companies in the same industry during a similar period. For the three and nine months ended April 30, 2023, the Company recorded $106,115 and 106,115, respectively as share based compensation expense for the fair value vested.

A summary of the movements of the stock options is presented below:

Period ended	**April 30, 2023**		July 31, 2022	
	Number of options	**Weighted Average Exercise Price**	Number of options	Weighted Average Exercise Price
Outstanding, beginning	**-**	**$ -**	-	$ -
Granted	**2,450,000**	**0.15**	-	-
Cancelled	**(500,000)**	**0.13**	-	-
Outstanding, ending	**1,950,000**	**0.15**	-	-
Exercisable	**1,356,250**	**$ 0.15**	-	$ -

(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL (Continued)

RSU

On October 24, 2022, the Company adopted and approved a rolling restricted share unit plan (the 'RSU Plan") authorizing the granting of restricted share units to the directors, officers, employees or consultants of the Company or subsidiaries of the Company.

The maximum number of common shares ("Shares") available for issuance pursuant to the RSU Plan, together with any Shares reserved for issuance pursuant to any other share compensation arrangement, including but not limited to the Stock Option Plan, shall be determined from time to time by the directors of the Company, but in any case, shall not exceed 20% of the issued and outstanding Shares (on a non-diluted basis) immediately prior to the issuance of RSUs. The exercise price of each option is determined by the Board.

Warrants

On September 8, 2022, pursuant to the closing of the private placement, the Company issued 3,795,000 common share purchase warrants. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.25 per share for a period of 24 months following the date of the issuance. The Company has allocated 100% proceeds to common share and $Nil to share purchase warrants by adopting the residual approach.

On April 6, 2023, pursuant to the closing of the Offering, the Company issued 12,852,000 common share purchase warrants. Each warrant is exercisable by the holder to acquire one additional Share at a price of $0.25 per Share for a period of two years from the date of issuance. The Company has allocated 100% proceeds to common share and $Nil to share purchase warrants by adopting the residual approach.

Additionally, pursuant to the agency agreement in relation to the Offering, the Company issued 899,640 share warrants to the agent with an exercise price of $0.125 for a period of 2 years from the date of issuance. The share warrants were valued at $64,330 using Black-Scholes Option Pricing model with the following assumptions: average risk-free rate – 2.9%; expected life – 2 years; expected volatility – 108.99%; forfeiture rate – Nil and expected dividends – $Nil. Volatility was estimated by using the historical volatility of other companies in the same industry during a similar period.

Period ended	**April 30, 2023**		July 31, 2022	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding, beginning	**-**	**$ -**	-	$ -
Granted	**17,546,640**	**0.24**	-	-
Outstanding, end	**17,546,640**	**0.24**	-	-
Exercisable	**17,546,640**	**$ 0.24**	-	$ -

(Unaudited - Expressed in Canadian dollars)

6. RELATED PARTY TRANSATIONS

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. The related party transactions not disclosed elsewhere in these financial statements are presented below. (also see Note 4).

As at April 30, 2023, due to related parties amounted to $231,253 (July 31, 2022 - $110,133) as below:

	April 30, 2023	July 31, 2022
Current		
Company controlled by the Chief Executive Officer (“CEO”), who is also a director of the Company	**$ 100,800**	$ 101,133
Company controlled by the Chief Financial Officer (“CFO”)	**2,875**	6,000
Company controlled by Corporate Development Officer (“CDO”)	**10,500**	3,000
Due to directors	**10,130**	-
Non-current		
Company controlled by the CEO	**106,948**	-
	$ 231,253	$ 110,133

Amounts due to related parties are non-interest bearing and unsecured.

The company controlled by the CEO, who is also a director of the Company, agreed not to demand the amount of $106,948 owed to it for repayment before July 31, 2024.

During the three and nine months ended April 30, 2023, the Company incurred the following transactions with directors, senior officers and companies controlled by directors:

	For the three months ended April 30		For the nine months ended April 30	
	2023	2022	**2023**	2022
Management fees	**$ 82,950**	$ -	**$198,450**	$ -
Share based payments	**45,531**	-	**140,633**	-
Directors fees	**9,127**	-	**44,774**	-
Accounting fees	**11,887**	-	**33,483**	-
Consulting fees	**-**	-	**10,500**	-
	$ 149,495	$ -	**$427,840**	$ -

The management fees consist of following:

	For the three months ended April 30		For the nine months ended April 30	
	2023	2022	**2023**	2022
Company controlled by the CEO	**$ 63,000**	$ -	**$159,600**	$ -
Company controlled by the CFO	**9,450**	-	**28,350**	-
Company controlled by the CDO	**10,500**	-	**10,500**	-
	$ 82,950	$ -	**$198,450**	$ -

(Unaudited - Expressed in Canadian dollars)

6. RELATED PARTY TRANSATIONS (Continued)

Share based company consists of following:

	For the three months ended April 30		For the nine months ended April 30	
	2023	2022	**2023**	2022
CEO	**$ 28,297**	$ -	**$ 28,297**	$ -
CFO	**2,695**	-	**20,841**	-
CDO	**8,998**	-	**42,969**	-
Directors	**5,541**	-	**35,857**	-
Former President	**-**	-	**12,669**	-
	$ 45,531	$ -	**$ 140,633**	$ -

The director fees consist of following:

	For the three months ended April 30		For the nine months ended April 30	
	2023	2022	**2023**	2022
Director	**$ 9,127**	$ -	**$ 16,274**	$ -
Company controlled by a director	**-**	-	**28,500**	-
	$ 9,127	$ -	**$ 44,774**	$ -

For the three and nine months ended April 30, 2023, accounting fees of $11,887 and $33,483 respectively (three and nine months ended April 30, 2022 – $Nil and $Nil) were charged by a company controlled by the CFO. Consulting fees of $Nil and $10,500 respectively (three and nine months ended April 30, 2022 - $Nil and $Nil) were charged by the former president of the Company.

The Company entered into a CEO consulting agreement dated September 13, 2022, pursuant to which, the Company agreed to pay CEO a consulting fee of $20,000 per month, plus a bonus equal to $150,000 upon the Company achieving a market capitalization of $20 million on the CSE or another recognized stock exchange, and a bonus of equal to $250,000 upon the Company achieving a market capitalization of $40 million on the CSE or another recognized stock exchange.

Key management compensation

The Company's key management includes the CEO, CFO, president and directors. The total remuneration to the key management has been disclosed in the above table. Key management personnel were not paid post-employment benefit, termination fees or other long-term benefits for the three and nine months ended April 30, 2023 (three and nine months ended April 30, 2022 - $Nil).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2023	July 31, 2022
Accounts payable	**$ 55,129**	$ 2,058
Accrued liabilities	**174,127**	42,437
Subscription payable	**6,250**	-
	$ 235,506	$ 44,495

(Unaudited - Expressed in Canadian dollars)

8. SUPPLEMENTAL CASH FLOW INFORMATION

Following is the non-cash financing and investing activities incurred by the Company during the nine months ended April 30, 2023 and 2022:

	April 30, 2023	April 30, 2022
Cash paid for the period for:		
Interest	**$ -**	$ -
Income tax	**-**	-
Non-cash operating activities:		
Stock based payments	**222,667**	-
Non-cash financing activities		
Share purchase warrants	**64,330**	-
Shares issued to IPO agents	**25,000**	-
Non-cash investing activities:		
Shares issued for exploration activities	**$ 180,000**	$ -

9. CAPITAL MANAGEMENT

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its mineral properties; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and receivables. The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's capital management during the period ended April 30, 2023.

As of April 30, 2023, the Company had a working capital surplus of $833,601(July 31, 2022 – deficit of $21,796). Management expects to raise additional capital from the capital markets or from private placements of securities.

10. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments are comprised of cash and cash equivalents, accounts payable and due to related parties.

Financial assets and liabilities measured at fair value on a recurring basis are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and the valuation techniques used to value financial assets and liabilities are described below.

Level 1 - Quoted Prices in Active Markets for Identical Assets
Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

10. FINANCIAL INSTRUMENTS AND RISKS (Continued)

Cash and cash equivalent is valued using quoted market prices in active markets. Accordingly, it is included in Level 1 of the fair value hierarchy. Accounts payable, and due to related parties are expected to be settled in the short term, and these have been considered to represent their market value. Therefore, these have also been categorized as Level 1.

Level 2 - Significant Other Observable Inputs
Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

There are no items in Level 2 of the fair value hierarchy.

Level 3 - Significant Unobservable Inputs
Unobservable (supported by little or no market activity) prices.

There are no items in Level 3 of the fair value hierarchy.

Financial instrument risks

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

Credit risk

The Company is exposed to credit concentration risk by holding cash. This risk is minimized by holding the investments in large Canadian financial institutions. The Company has no accounts receivable exposure.

Interest rate risk

The Company is exposed to minimal interest rate risk. Fluctuations in market interest rates do not have a significant impact on the Company's operations.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company’s policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are uncertain, the liquidity risk increases.

The Company’s objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

10. FINANCIAL INSTRUMENTS AND RISKS (Continued)

As at April 30, 2023, the Company had cash of $1,074,672 (July 31, 2022 - $116,793) and a working capital surplus of $833,601 (July 31, 2022 – deficit of $21,796). Being in the preliminary stage of exploration, the Company does not have any revenue generating mineral properties. In the past, Company has funded its operations through equity financing, and it is expected to do the same to settle accounts payable and accrued liabilities of $235,506 and the amounts due to the related parties of $124,305 which fall due for payment within twelve months of the statement of financial position date.

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

		April 30, 2023	**July 31, 2022**
Cash and cash equivalents	USD$	5,695	-
Accounts payable and accrued liabilities	USD$	77,538	-

Based on the above net exposures and if all other variables remain constant, a 10% change in the value of the foreign currency against the Canadian dollar would result in an increase or decrease of $9,743 (July 31, 2022 – $Nil) in income/loss from operation**.**

11. SEGMENTED INFORMATION

The Company currently operates in a single reportable operating segment: the acquisition, exploration and development of mineral properties in the United States. All of the Company's assets are located and expenditures are incurred in the United States. Since the Company does not have any revenue producing activities, there is no segment information by revenues.

12. SUBSEQUENT EVENTS

On June 7, 2023, 50,000 of the outstanding share warrants were exercised at a price of $0.25 per share for a total value of $12,500.

Also see Note 4.