Storm Exploration Inc.
(formerly Lithoquest Resources Inc.)

Consolidated Financial Statements

Years ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Storm Exploration Inc**.**

Opinion

We have audited the consolidated financial statements of Storm Exploration Inc. and its subsidiaries (the "Company") which comprise the consolidated statements of financial position as at March 31, 2023 and 2022, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the Financial Statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the 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 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 Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, 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 Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 Financial Statements, including the disclosures, and whether the 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Joseph Bonvillain.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
July 27, 2023

Storm Exploration Inc.

(formerly Lithoquest Resources Inc.)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at		**March 31, 2023**		March 31, 2022
ASSETS				
Current Assets				
Cash	**$**	**255,784**	$	2,309,295
Sales taxes recoverable		**47,372**		253,063
Prepaid expenses		**151,340**		112,848
Total current assets		**454,496**		2,675,206
Total assets	**$**	**454,496**	$	2,675,206
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities *(notes 8 & 13)*	**$**	**214,994**	$	1,080,200
Flow-through premium liability *(note 6)*		**16,444**		79,234
Instalment debt *(note 13)*		**55,368**		-
Total current liabilities		**286,806**		1,159,434
EQUITY				
Share capital *(note 7)*		**17,001,246**		15,366,638
Contributed surplus		**2,457,940**		1,764,440
Deficit		**(19,291,496)**		(15,615,306)
Total equity		**167,690**		1,515,772
Total liabilities and equity	**$**	**454,496**	$	2,675,206

Nature of the company and continuance of operations *(note 1)*
Commitments and contingency *(note 5)*
Subsequent events *(note 14)*

On behalf of the Board of Directors:

"Bruce Counts"
Director

"Lon Shaver"
Director

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

Storm Exploration Inc.
(formerly Lithoquest Resources Inc.)
Consolidated Statements of Comprehensive Loss
For the years ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

		2023		2022
Expenses				
Care and maintenance	**$**	**52,615**	$	72,261
Exploration and evaluation		**2,042,377**		3,487,986
Management and consulting fees *(note 8)*		**366,138**		363,472
Marketing and corporate development		**491,889**		257,287
Office and general		**66,758**		64,141
Professional fees		**56,121**		93,169
Regulatory and shareholder services		**37,298**		19,732
Share-based payments *(note 7)*		**664,800**		256,600
Travel		**114,845**		43,424
Loss before other items		**(3,892,841)**		(4,658,072)
Other items				
Foreign exchange (gain) loss		**261**		(2,769)
Gain on settlement of debt *(note 13)*		**(147,016)**		-
Interest income		**(7,106)**		(2,810)
Premium on flow-through shares *(note 6)*		**(62,790)**		(167,040)
Net loss and comprehensive loss	**$**	**(3,676,190)**	$	(4,485,453)
Loss per share - basic and diluted	**$**	**(0.11)**	$	(0.21)
Weighted average number of common shares outstanding		**32,797,179**		21,674,156

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

Storm Exploration Inc.

(formerly Lithoquest Resources Inc.)
Consolidated Statements of Changes in Equity
For the years ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Common Shares	**Amount**	**Contributed Surplus**	**Deficit**	**Total Equity**
Balance, March 31, 2021 *(note 7(a))*	**16,790,486**	**$ 9,367,058**	**$ 1,397,140**	**$ (11,129,853)**	**$ (365,655)**
Units issued for cash *(notes 7(e)&(g))*	6,811,106	2,861,683	-	-	2,861,683
Flow-through shares issued for cash *(notes 7(e)&(g))*	5,481,547	3,206,340	-	-	3,206,340
Flow-through premium liability *(note 6)*	-	(246,274)	-	-	(246,274)
Share issuance costs *(notes 7(e)&(g))*	-	(317,949)	110,700	-	(207,249)
Shares issued for option payment *(note 7(f))*	1,126,773	495,780	-	-	495,780
Share-based payments *(note 7)*	-	-	256,600	-	256,600
Comprehensive loss	-	-	-	(4,485,453)	(4,485,453)
Balance, March 31, 2022 *(note 7(a))*	**30,209,912**	**$ 15,366,638**	**$ 1,764,440**	**$ (15,615,306)**	**$ 1,515,772**
Units issued for cash *(note 7(c))*	8,343,836	1,001,260	-	-	1,001,260
Share issuance costs *(note 7(c))*	-	(74,087)	28,700	-	(45,387)
Shares issued for option payment *(notes 7(b)&(d))*	3,031,318	707,435	-	-	707,435
Share-based payments *(note 7)*	-	-	664,800	-	664,800
Comprehensive loss	-	-	-	(3,676,190)	(3,676,190)
Balance, March 31, 2023	**41,585,066**	**$ 17,001,246**	**$ 2,457,940**	**$ (19,291,496)**	**$ 167,690**

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

Storm Exploration Inc.

(formerly Lithoquest Resources Inc.)
Consolidated Statements of Cash Flows
For the years ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023	2022
Cash flow used in operating activities		
Net loss for the year	**$ (3,676,190)**	$ (4,485,453)
Items not affecting cash:		
Gain on settlement of debt	**(147,016)**	-
Share-based payments *(note 7)*	**664,800**	752,380
Shares issued for option payment	**707,435**	-
Premium on flow-through shares	**(62,790)**	(167,040)
	(2,513,761)	(3,900,113)
Non-cash working capital items *(note 10)*	**(453,779)**	202,584
	(2,967,540)	(3,697,529)
Cash flow from financing activities		
Proceeds from issuance of shares and units *(note 7)*	**1,001,260**	6,068,023
Share issuance costs *(note 7)*	**(45,387)**	(207,249)
Repayment of instalment debt	**(41,844)**	-
	914,029	5,860,774
Increase (decrease) in cash	**(2,053,511)**	2,163,245
Cash, beginning of the year	**2,309,295**	146,050
Cash, end of the year	**$ 255,784**	$ 2,309,295

The amount of cash paid for interest in 2023 was $1,309 (2022 – nil). No amounts of cash were used to pay income taxes for the years presented.

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

1. Nature of the Company and Continuance of Operations

Storm Exploration Inc. (formerly Lithoquest Resources Inc.) (the "Company") was incorporated on February 25, 1986 in Alberta, Canada. In April 2014, it was continued from the jurisdiction of Alberta to British Columbia, Canada. On October 8, 2022, the Company changed its name to Storm Exploration Inc. from Lithoquest Resources Inc.

The Company is engaged in the acquisition and exploration of mineral properties. The Company's head office is at 1480 - 885 W. Georgia Street, Vancouver, BC V6C 3E8.

The Company has not generated significant revenues or cash flows from operations and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The Company has incurred negative cash flows from operations, recorded a loss of $3,676,190 (2022 - $4,485,453) for the year ended March 31, 2023, and has an accumulated deficit of $19,291,496 (2022 - $15,615,306) as at March 31, 2023.

These factors form a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. 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 discharge its liabilities in the normal course of business. The Company plans to raise additional financing from the issuance of common shares. Although the Company has been successful with past equity financings, there is no assurance that the Company will be able to continue to do so in the future.

2. Significant Accounting Policies

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue in accordance with a resolution from the Board of Directors on July 27, 2023.

b) Basis of presentation

These consolidated financial statements are expressed in Canadian dollars and have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting on a going concern basis. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements as if the policies have always been in effect.

c) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Lithoquest Holdings Inc. which is incorporated in Canada and Lithoquest Diamonds (Australia) Pty Ltd. which is incorporated in Australia. All intercompany balances and transactions have been eliminated upon consolidation.

2. Significant Accounting Policies - continued

d) Foreign currency

The functional and presentation currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiaries is the Canadian dollar which is determined to be the currency of the primary economic environment in which the subsidiary operates.

e) Foreign currency transactions

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

f) Mining properties and exploration and evaluation expenditures

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with acquiring prospective property, prospecting, sampling, mapping, drilling and other work involved in searching for minerals.

Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of:

(i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;

(ii) determining the optimal methods of extraction and metallurgical and treatment processes;

(iii) studies related to surveying, transportation, and infrastructure requirements;

(iv) permitting activities; and

(v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Exploration and evaluation expenditures incurred on a license where a NI 43-101 – Standards of Disclosure for Mineral Projects ("43-101") compliant resource has not yet been established are expensed as incurred until sufficient evaluation has occurred in order to establish a 43-101 compliant resource and on completion of a pre-feasibility study. Costs expensed during this phase are included in "exploration and evaluation expenses" in the consolidated statements of comprehensive loss.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

2. Significant Accounting Policies - continued

g) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital. Charges for options that are forfeited before vesting are reversed from contributed surplus.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

h) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

2. Significant Accounting Policies - continued

i) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

j) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

k) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting period end date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting period end date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

l) Financial instruments

Financial Assets

Financial assets are measured at fair value on initial recognition of the instrument and classified as financial assets at fair value through profit and loss (“FVTPL”), amortized cost, or fair value through other comprehensive income (“FVTOCI”). The classification depends on the Company’s business model for managing the financial assets and terms of the related cash flow. The Company determines the classification of its financial assets at initial recognition. Subsequent measurement of financial instruments is based on their initial classification.

2. Significant Accounting Policies - continued

l) Financial instruments (continued)

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statements of comprehensive loss in the period in which they arise. The Company's cash is classified as FVTPL.

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. The Company does not have any financial assets classified as FVTOCI.

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost less any impairment using the effective interest rate method. The Company does not have any financial assets classified at amortized cost.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

FVTPL – This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss.

Amortized cost – Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company's accounts payable and instalment debt are classified at amortized cost.

2. Significant Accounting Policies - continued

l) Financial instruments (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It is becoming probable that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets, with the exception of financial assets measured at amortized cost, where the Company recognizes loss allowances for expected credit losses (“ECLs”). Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

m) Leases

The Company recognizes a right-of-use asset and a lease liability based on the present value of the future lease payments at the commencement date. The commencement date is when the lessor makes the leased asset available for use by the Company, typically the possession date. The discount rate used in the present value calculation for lease payments is the incremental borrowing rate for each leased asset or portfolio of leased assets with similar characteristics by reference to the Company’s creditworthiness, the original term of the lease, the quality of the underlying leased asset, and the economic environment where the leased asset is located. The lease term is determined as the non-cancellable periods of a lease, together with periods covered by a renewal option if the Company is reasonably certain to exercise that option and a termination option if the Company is reasonably certain not to exercise that option.

Lease payments for short-term leases with a term of 12 months or less and leases of low-value assets are treated as operating leases.

2. Significant Accounting Policies - continued

m) Leases (continued)

Lease liabilities are measured at the present value of future lease payments, discounted using the Company's incremental borrowing rates, and include the fixed payments, variable lease payments that depend on an index or a rate, less any lease incentives receivable. Subsequent to initial measurement, the Company measures lease liabilities at amortized cost using the effective interest rate method. Lease liabilities are remeasured when there are changes to the lease payments, a change in lease term, a change in the assessment of an option to purchase the underlying asset, a change in expected residual value guarantee, or a change in future lease payments due to a change in index or rate tied to the payment.

Right-of-use assets are measured at the initial amount of the lease liabilities, lease payments made at or before the commencement date less any lease incentives received, initial direct costs if any, and decommissioning costs to restore the site to the condition required by the terms and conditions of the lease. Subsequent to initial measurement, the Company applies the cost model to the right-of-use assets and measures the asset at cost less any accumulated depreciation, accumulated impairment losses in accordance with IAS 36, and any remeasurements of the lease liabilities. Assets are depreciated from the commencement date on a straight-line basis over the earlier of the end of the assets' useful lives or the end of the lease terms.

During the year ended March 31, 2023, all of the Company's leases are short-term leases with a term of 12 months or less and are recorded as operating leases.

3. Significant Accounting Estimates and Judgements

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(Expressed in Canadian Dollars)

3. Significant Accounting Estimates and Judgements - continued

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

i. the inputs in Black-Scholes formula used in accounting for share-based payments;

ii. the fair value of shares issued as consideration for exploration and evaluation expenditures; and

Significant accounting judgments

i. the determination of categories of financial assets and financial liabilities;

ii. the evaluation of the Company's ability to continue as a going concern; and

iii. the recognition of deferred income tax assets and liabilities

4. Recent Accounting Pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not expect any material impact from these new and revised accounting pronouncements.

5. Exploration and Evaluation Expenses

The Miminiska-Fort Hope Greenstone Belt Projects

The following is a summary of accumulated exploration and evaluation expenses:

Balance, March 31, 2021	**$**	**58,250**
Expenditures		3,487,986
Balance, March 31, 2022		**3,546,236**
Expenditures		1,581,785
Balance, March 31, 2023	**$**	**5,128,021**

The Miminiska-Fort Hope Greenstone Belt Projects are three district scale gold properties, Miminiska, Keezhik and Attwood, which cover more than 41,000 ha within the traditional territory of the Eabametoong First Nation in northwestern Ontario.

(Expressed in Canadian Dollars)

5. Exploration and Evaluation Expenses - continued

On December 22, 2020, the Company acquired mineral claims over a prospective and under-explored area of the Miminiska-Fort Hope greenstone belt. The Attwood Project comprises 1,151 mineral claims covering 23,262 hectares and is located approximately 60 km southwest of the Eabametoong First Nation Community of Fort Hope and 320 km north of the city of Thunder Bay, Ontario. Attwood is a green-fields project covering geology that is prospective for precious and base metal deposits. The property lies within five km of the all-weather Ogoki Forestry Road and is accessible by float plane.

On May 5, 2021 (modified November 30, 2022), the Company entered into an Option Agreement with Landore Resources Canada Inc. (“Landore”) to acquire a 100% interest in the Miminiska Lake and Keezhik Lake mining claims located in Pickle Lake area, Thunder Bay Mining District, northwestern Ontario, for a purchase price of $1,625,000 cash and by paying Landore the additional sum of $2,400,000 in cash or in the Company's common shares.

Under the terms of the Option Agreement, the Company will earn a 100% interest in the Miminiska and Keezhik properties by making the scheduled payments defined in Table 1 to Landore. A convertible cash payment can either be made in cash or common shares of the Company, at the Company’s election. The optionor will retain a 2 percent net smelter return royalty on the property, of which 50 percent (a 1 percent royalty) is purchasable at any time by the Company for $1,000,000.

On June 24, 2022, the Company paid the 12-month option payment due under the Option Agreement with Landore by paying $250,000 and issuing 855,479 (post-consolidation) common shares at a deemed price of $0.584468 per share to Landore. The common shares were recorded at the fair market value at the time of issuance of $0.42 per share.

On January 24, 2023, the Company paid the 19-month option payment by paying $251,824 cash and issuing 2,175,839 common shares at a deemed price of $0.11406 per share to Landore. The common shares were recorded at the fair market value at the time of issuance of $0.16 per share.

The schedule of payments under the Option Agreement is reflected in the following table.

Table 1 -Option Payments for 100% interest in Miminiska and Keezhik properties

Payment Date	**Cash**	**Cash or Shares**
On signing of the Option Agreement (paid)	$25,000	-
July 4, 2021 (paid)	$100,000	-
6-month payment: December 24, 2021 (paid)	$250,000	$400,000
12-month payment: June 24, 2022 (paid)	$250,000	$500,000
19-month payment: January 24, 2023 (paid)	$250,000	$250,000
25-month payment: July 24, 2023 (subsequently extended - see note 14)	$250,000	$500,000
31-month payment: January 24, 2024 (subsequently extended - see note 14)	$500,000	$750,000
Total	**$1,625,000**	**$2,400,000**

(Expressed in Canadian Dollars)

5. Exploration and Evaluation Expenses - continued

Gold Standard Project

The following is a summary of accumulated exploration and evaluation expenses:

Balance, March 31, 2022	**$**	**-**
Expenditures		460,592
Balance, March 31, 2023	**$**	**460,592**

On April 21, 2022, the Company entered into an Option Agreement with Messrs. Allan Onchulenko and Peter Gehrels (the "Vendors") to acquire a 100% interest in the 615 ha Gold Standard property (the "Property") located in northwest Ontario, for a purchase price of $120,000 payable in a combination of cash and the Company's common shares. The Company has also staked an additional 252 mineral claims surrounding the Property, bringing the total project area to 5,953 ha.

Under the terms of the Option Agreement, the Company will earn a 100% interest in the Property by making the scheduled payments defined in Table 2 to the Vendors. A convertible cash payment can either be made in cash or common shares of the Company, at the Company's election. The Vendors will retain a 2% Net Smelter Royalty ("NSR") on the original 615 ha Property and any claims acquired by the Company within a two-kilometre radius of the perimeter of the Property. The Company can buy back 1% of the NSR by paying the Vendors $750,000 at any time.

The transaction was accepted by the TSX on May 10, 2022 (the "Effective Date").

Table 2 - Option Payments for 100% interest in Gold Standard property

Payment Date	Cash	Cash or Shares
On signing of the LOI (paid)	$5,000	-
10 days after the Effective Date (paid)	$10,000	$15,000
12 months after the Effective Date (since paid - see subsequent event note 14)	$20,000	$20,000
24 months after the Effective Date	$25,000	$25,000
Total	**$60,000**	**$60,000**

5. Exploration and Evaluation Expenses - continued

North Kimberly Diamond Project

The North Kimberly Diamond Project remained on care and maintenance during the year.

On January 18, 2017, the Company, through its wholly-owned Australian subsidiary, was granted exploration license E80/5029 on mineral properties (“Tenement”) located in the King George River, Kimberley region of Western Australia. The initial term of the exploration license was 5 years and in January 2022 this was extended for a further 5 years to January 17, 2027.

Pursuant to the terms and conditions of the license issued by the Department of Mines, Industry Regulation and Safety, the Company is required to incur minimum annual expenditures (unless granted an expenditure exemption) of AUD$50,000 (CAD$45,300) commencing with effect for the year ending January 17, 2023, (AUD$30,000 (CAD$28,092) for the year ended January 17, 2022). The Company has received an expenditure exemption for the year ended January 17, 2023.

In addition to the minimum annual exploration expenditure shown above, the Company is also required to report the exploration work done to June 30 of each year and to participate in the annual Mining Rehabilitation Fund (“MRF”) based on the amount of disturbance on the properties. Furthermore, the Company is also required to comply with the local Environmental Protection Act and Protection Regulations, which also require the Company to comply with the Provisions of the Aboriginal Heritage Act 1972 and applicable regulations.

On December 16, 2016 the Company entered into a Native Title, Heritage Protection and Mineral Exploration Agreement (the “Agreement”) with a local aboriginal corporation whereby the Company is required to comply with relevant laws and regulations and to contribute an amount to the community within 60 days of the annual anniversary of the grant date of each Tenement (the “Grant Date”) until the Tenement expires or is surrendered, and that the amount to be contributed is the greater of:

- 3% of the annual on-ground exploration expenditure for the year ending on the anniversary of the Grant Date; and
- 3% of the minimum statutory annual expenditure.

Also in accordance with the Agreement, the Company has taken out an indemnity insurance policy to the value of AUD$10,000,000 (CAD$9,060,000) which is required to be in place for the term of the Agreement.

6. Flow-Through Premium Liability

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is subsequently reduced and recorded in the consolidated statements of comprehensive loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred when it is the Company's intention to file the appropriate renunciation forms with the Canadian taxation authorities.

(Expressed in Canadian Dollars)

6. Flow-Through Premium Liability - continued

The continuity of flow-through premium liability is as follows:

Balance, March 31, 2021	**$**	**-**
Deferred premium liability recognized		246,274
Premium on flow-through shares income		(167,040)
Balance, March 31, 2022		**79,234**
Premium on flow-through shares income		(62,790)
Balance, March 31, 2023	**$**	**16,444**

In connection with the flow-though financings closed on March 21, 2022, the Company had an obligation to spend a total of $2,521,340 on qualifying exploration expenditures by December 31, 2023. With respect to that financing, the company incurred qualifying exploration expenditures totalling $1,608,600 during the year ended March 31, 2022 and $723,315 during the year ended March 31, 2023. The Company has an obligation to spend a further $189,425 by December 31, 2023.

7. Share Capital

Authorized share capital

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

Issued shares

The issued and outstanding common shares consist of the following *(see note (a) regarding the effects of a share consolidation reflected below)*:

	Number of Common Shares		Amount
Balance, March 31, 2021	**16,790,486**	**$**	**9,367,058**
Units and flow-through shares issued in private placement, net of issuance costs (e)	5,893,750		2,326,311
Units, flow-through units and charity flow-through units issued in private placement, net of issuance costs (g)	6,398,903		3,423,763
Flow-through premium liability (e) (g) (note 6)	-		(246,274)
Shares issued for option payment (f)	1,126,773		495,780
Balance, March 31, 2022	**30,209,912**		**15,366,638**
Units issued in private placement, net of issuance costs (c)	8,343,836		927,173
Shares issued for option payment (b)(d)	3,031,318		707,435
Balance, March 31, 2023	**41,585,066**	**$**	**17,001,246**

7. Share Capital - continued

(a) On January 19, 2023, the common shares of the Company were consolidated on the basis of one post-consolidated common share outstanding for every four pre-consolidated common shares. The exercise or conversion price and the number of common shares issuable under any of the Company's outstanding options and warrants were proportionately adjusted

The effects of the consolidation have been presented throughout these statements on a retrospective basis.

(b) On June 24, 2022, the Company issued 855,479 common shares at a deemed price of $0.584468 per share to Landore Resources Canada Inc. in connection with an option payment due under its Option Agreement with Landore. The fair market value of the shares was $0.42 per share for a total of $359,301.

(c) On January 24, 2023, the Company closed a non-brokered private placement in which it issued 8,343,836 units at a price of $0.12 per unit and received gross proceeds of $1,001,260. Each unit consists of one common share of the Company and one-half warrant each full warrant entitling the holder thereof to acquire an additional common share of the Company at an exercise price of $0.18 per warrant for a period of 24 months from the date of issuance.

In connection with the financing, the Company issued 255,000 finder's warrants, each warrant exercisable to purchase a common share at $0.18 for two years. The fair value of $28,700 for the finder's warrants was determined using the Black-Scholes option pricing model with the following assumptions: risk free interest rate – 3.64%, expected life – 2 years, annualized volatility – 150%, share price - $0.16, dividend rate – 0%. The issuance costs, consisting of finder's fees and regulatory costs, were $45,387.

(d) On January 24, 2023, the Company issued 2,175,839 common shares at a deemed price of $0.114060 per share to Landore in connection with an option payment due under its Option Agreement with Landore. The fair market value of the shares was $0.16 per share for a total of $348,134.

(e) On June 30, 2021, the Company closed a non-brokered private placement in which it issued 4,523,750 units at a price of $0.40 per unit and 1,370,000 flow-through shares of the Company at $0.50 per flow-through share for aggregate gross proceeds of $2,494,500. Each unit consists of one common share of the Company and one-half warrant, with each whole warrant entitling the holder thereof to acquire an additional common share of the Company at an exercise price of $0.60 per warrant share for a period of 24 months from the date of issuance.

In connection with the financing, the Company issued 198,825 finder's warrants, each warrant exercisable to purchase a common share at $0.60 for two years. The fair value of $64,800 for the finder's warrants was determined using the Black-Scholes option pricing model with the following assumptions: risk free interest rate – 0.45%, expected life – 2 years, annualized volatility – 150%, share price - $0.48, dividend rate – 0%. The cash issuance costs, consisting of legal fees, finder's fees, and regulatory costs, were $103,389.

(f) On December 24, 2021, in connection with on option payment due under its Option Agreement with Landore, the Company issued 1,126,773 common shares at a deemed price of $0.354996 per share to Landore. The fair value of the shares was $0.44 per share.

(Expressed in Canadian Dollars)

7. Share Capital - continued

(g) On March 21, 2022, the Company closed a non-brokered private placement in which it issued 2,287,356 units (the “Units”) at a price of $0.46 per Unit, 1,375,625 flow-through units (the “FT Units”) at a price of $0.56 per FT Unit and 2,735,922 charity flow-through units (the “CFT Units”) at $0.64 per CFT Unit for aggregate gross proceeds of $3,573,523. Each Unit consists of one common share of the Company and one warrant. The FT Units and CFT Units consist of one flow-through common share of the Company and one warrant. The warrants in each of the Units, FT Units and CFT Units entitle the holder thereof to acquire an additional common share of the Company at an exercise price of $0.68 per warrant share for a period of 24 months from the date of issuance.

In connection with the financing, the Company issued 118,999 finder’s warrants, each warrant exercisable to purchase a common share at $0.68 for two years. The fair value of $45,900 for the finder’s warrants was determined using the Black-Scholes option pricing model with the following assumptions: risk free interest rate – 2.03%, expected life – 2 years, annualized volatility – 150%, share price - $0.56, dividend rate – 0%. The cash issuance costs, consisting of legal fees, finder’s fees, and regulatory costs, were $103,860.

Stock options

The Company has established a “rolling” Share Option Plan (the “Plan”) in compliance with the TSX’s policy for granting share options. Under the Plan, the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The exercise price of each option shall not be less than the market price of the Company’s stock at the date of grant. Options have expiry dates of no later than 10 years after the grant date. Vesting of options is determined by the Board of Directors at the time of grant.

The continuity of share purchase options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2021	**1,565,000**	**$ 0.83**
Granted (c)(d)	650,000	0.60
Outstanding, March 31, 2022	**2,215,000**	**0.76**
Granted (a)(b)	2,462,500	0.35
Expired	(568,750)	1.19
Outstanding, March 31, 2023	**4,108,750**	**$ 0.45**

(a) On May 2, 2022, the Company granted 612,500 stock options to directors, officers and consultants of the Company. The options vested on grant date and are exercisable at $0.80 per share for 5 years. The stock options were valued at $330,500 using the Black-Scholes option-pricing model with the following assumptions: expected life of 5 years, risk-free rate of 2.78%, expected dividend yield of 0%, and expected volatility of 150%. The share price at the time of the grant was $0.60 (adjusted for the effect of the consolidation).

(Expressed in Canadian Dollars)

7. Share Capital - continued

Stock options (continued)

(b) On March 29, 2023, the Company granted 1,850,000 stock options to directors, officers and consultants of the Company. The options vested on grant date and are exercisable at $0.20 per share for 5 years. The stock options were valued at $334,300 using the Black-Scholes option-pricing model with the following assumptions: expected life of 5 years, risk-free rate of 3.15%, expected dividend yield of 0%, and expected volatility of 150%. The share price at the time of the grant was $0.25.

(c) On July 9, 2021, the Company granted 625,000 stock options to directors, officers and consultants of the Company. The options vested on grant date and are exercisable at $0.60 per share for 5 years. The stock options were valued at $245,800 using the Black-Scholes option pricing model with the following assumptions: expected life of 5 years, risk-free rate of 0.85%, expected dividend yield of 0%, and expected volatility of 150%. The share price at the time of the grant was $0.44 (adjusted for effect of consolidation).

(d) On July 28, 2021, the Company granted 25,000 stock options to a consultant of the Company. The options vested on grant date and are exercisable at $0.60 per share for 5 years. The stock options were valued at $10,800 using the Black-Scholes option pricing model with the following assumptions: expected life of 5 years, risk-free rate of 0.71%, expected dividend yield of 0%, and expected volatility of 150%. The share price at the time of the grant was $0.48 (adjusted for the effect of the consolidation).

As at March 31, 2023, the following options were outstanding and exercisable:

Expiry Date	**Remaining Contractual Life (in years)**	**Number of Options**	**Exercise Price**
April 5, 2023	0.0	50,000	$ 2.24
July 12, 2023	0.3	40,000	2.40
December 17, 2023	0.7	200,000	0.64
July 30, 2025	2.3	556,250	0.40
September 30, 2025	2.5	150,000	0.40
July 9, 2026	3.3	625,000	0.60
July 28, 2026	3.3	25,000	0.60
May 2, 2027	4.1	612,500	0.80
March 29, 2028	5.0	1,850,000	0.20
		4,108,750	

During the year the Company recognized $664,800 (2022 - $256,600) in share-based payments. As of March 31, 2023, all options issued under the Plan were fully vested.

(Expressed in Canadian Dollars)

7. Share Capital - continued

Warrants

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, March 31, 2021	**3,704,659**	**$ 0.58**
Expired	(2,959,659)	(0.60)
Issued	5,779,150	0.65
Outstanding, March 31, 2022	**6,524,150**	**0.63**
Expired	(745,000)	(0.48)
Issued	**4,426,921**	0.18
Outstanding, March 31, 2023	**10,206,071**	**$ 0.44**

As at March 31, 2023, the following warrants were outstanding and exercisable:

Expiry Date	Number of Warrants	Exercise Price
June 30, 2023	**2,460,700**	**$ 0.60**
March 21, 2024	**3,318,450**	**0.68**
January 24, 2025	**4,426,921**	**0.18**
	10,206,071	

8. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(Expressed in Canadian Dollars)

8. Related Party Transactions - continued

Key management personnel receive compensation in the form of short-term employee benefits. Key management personnel include the directors and officers of the Company. The remuneration of key management personnel during the years ended March 31, 2023 and 2022 is as follows:

		2023		2022
Salaries and management fees	**$**	**285,000**	$	284,000
Share-based payments (note 7)		**450,755**		147,600
	$	**735,755**	$	431,600

As at March 31, 2023, accounts payable and accrued liabilities include amounts due to related parties of $59,543 (2022 - $109,106). These amounts are due on demand, non-interest bearing, unsecured.

These transactions were in the normal course of business and were measured at the exchange amount. Amounts due to related parties are unsecured, non-interest bearing, and have no formal terms of repayment.

9. Income Taxes

The Company has losses carried forward of $7,008,174 available to reduce Canadian income taxes in future years which expire between 2026 and 2043. The Company has losses carried forward of AUD $3,553,848 available to reduce Australian income taxes indefinitely in future years.

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates for the years ended March 31, 2023 and 2022:

		2023		2022
Combined statutory income tax rate		**27.0%**		27.0%
Income tax recovery at statutory rate	**$**	**(992,572)**	$	(1,185,211)
Effect of income taxes of:				
Permanent difference and others		**1,338,040**		1,279,445
Difference between income tax rates		**(1,593)**		(3,285)
Change in deferred tax assets not recognized		**2,332,205**		(90,949)
Deferred income tax recovery	**$**	**-**	$	-

(Expressed in Canadian Dollars)

9. Income Taxes - continued

The temporary differences that give rise to significant portions of the deferred tax assets not recognized as at March 31, 2023 and 2022 are presented below:

		2023		2022
Non-capital loss carry forwards	**$**	**2,724,163**	$	1,935,419
Mineral properties		**1,547,853**		-
Share issuance costs		**47,094**		51,486
Deferred tax assets not recognized		**(4,319,110)**		(1,986,905)
	$	**-**	$	-

10. Additional Cash Flow Information

The net change in non-cash working capital consists of the following:

		2023		2022
Sales taxes recoverable	**$**	**205,691**	$	(245,515)
Prepaid expenses		**(38,492)**		(111,848)
Accounts payable and accrued liabilities		**(620,978)**		559,947
	$	**(453,779)**	$	202,584

11. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. 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 or dispose of assets or adjust the amount of cash.

(Expressed in Canadian Dollars)

12. Financial Instruments and Financial Risk

Fair Values and Classification of Financial Instruments

The Company's financial instruments consist of cash and accounts payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOC, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	**March 31, 2023**	March 31, 2022
Cash	FVTPL	**$ 255,784**	$ 2,309,295
Accounts payable	Amortized cost	**214,994**	1,080,200
Instalment debt	Amortized cost	**55,368**	-

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes 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).

Assets measured at fair value on a recurring basis presented on the Company's consolidated statement of financial position as at March 31, 2023 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash	**$ 255,784**	**$ -**	**$ -**	**$ 255,784**

12. Financial Instruments and Financial Risk – continued

Fair Values and Classification of Financial Instruments (continued)

Assets measured at fair value on a recurring basis presented on the Company's consolidated statement of financial position as at March 31, 2022 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash	$ 2,309,295	$ -	$ -	$ 2,309,295

The fair value of the Company's financial instruments approximates their carrying value as at March 31, 2023 and 2022 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(i) *Currency risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currencies. Management does not hedge its exposure to foreign exchange risk.

The Company's corporate expenses are denominated in Canadian dollars ("CAD"), and it does not have any significant foreign currency denominated monetary liabilities. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

12. Financial Instruments and Financial Risk – continued

Financial risk management objectives and policies (continued)

The Company's Australian subsidiary is exposed to foreign currency risk on fluctuations related to cash and accounts payable that are denominated in Australian dollars ("AUD"). The following is an analysis of the Canadian dollar equivalent of financial assets and liabilities that are denominated in Australian dollars:

	March 31, 2023
Cash	AUD$ 12,181
Accounts payable	(85,377)
Total in foreign currency	(73,196)
Net exposure	6,880
Canadian dollar equivalents	**$ (66,316)**

Based on the net Canadian dollar denominated asset and liability exposures as at March 31, 2023, a 10% fluctuation in the CAD/AUD exchange rates would impact the Company's earnings for the year ended March 31, 2023 by $6,632.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high quality financial institution.

(iv) *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's accounts payable have contractual maturities of 30 days and are subject to normal trade terms. In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

13. Stamp Duty

The Company had carried an amount of AUD$268,000 (CAD$244,228) in accounts payable and accrued liabilities as an accounting provision for stamp duty payable. This provision was recorded at the time of the reverse take-over transaction which transferred indirect ownership of the North Kimberley tenements to the Company. Stamp duty in Western Australia is payable by the purchaser on the transfer of property, including mining tenements, and is applied at the rate of 5.15% where the value of the property exceeds AUD$2,000,000 (CAD$1,812,000).

During the year ended March 31, 2023, the Company submitted a proposal to the Government of Western Australia, Office of State Revenue ("OSR"), for resolution of ongoing disagreements on the valuation of the property transaction. This resulted in the OSR issuing a revised Duties Assessment Notice on December 5, 2022, in the amount of AUD$106,675 (CAD$97,212), which was accepted by the Company.

As a result, the Company has reflected a gain on settlement of debt in the amount of AUD$161,325 (CAD$147,016) and has made arrangements with the OSR to pay the outstanding amount in bi-weekly instalment payments over the period to July 13, 2023 with interest payable at 8.2% per annum. During the year, the Company made debt repayments of AUD$45,563 (CAD$41,844) leaving a remaining balance outstanding at March 31, 2023 of AUD$61,112 (CAD$55,368).

14. Subsequent Events

On May 9, 2023, the Company paid the 12-month option payment due under the terms of the Option Agreement for the Gold Standard property by paying $20,000 cash and issuing 47,619 common shares at a deemed price of $0.42 per share to Messrs. Allan Onchulenko and Peter Gehrels.

On June 29, 2023 the Company amended a total of 2,261,875 outstanding share purchase warrants by extending their expiry date from June 30, 2023 to June 30, 2025. Of those warrants, a total of 1,761,875 were also revised from an exercise price of $0.60 to $0.15 per common share and are subject to an acceleration clause. Holders of 500,000 of the warrants did not participate in the revised pricing and acceleration amendments and only their expiry date was amended. Certain finder warrants that were also issued in connection with the June 30, 2021 private placement, were not permitted to be extended under rules of the TSX Venture Exchange and expired as scheduled on June 30, 2023.

On July 5, 2023 the Company announced that the Option Agreement with Landore Resources Canada Inc was amended to modify the payment due dates for the remaining payments by extending each by four months. The July 24, 2023 payment date was changed to November 24, 2023 and the January 24, 2024 payment due date was changed to May 24, 2024.