

SKRR EXPLORATION INC.

FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED APRIL 30, 2022

Independent Auditor's Report

To the Shareholders of SKRR Exploration Inc.

Opinion

We have audited the financial statements of SKRR Exploration Inc. (the "Company"), which comprise the statements of financial position as at April 30, 2022 and April 30, 2021 and the statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2022 and April 30, 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's 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 audit 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 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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.

We obtained the other information prior to the date of this auditor's report. 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 in this auditor's report. 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, 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.

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.

The engagement partner on the audit resulting in this independent auditor's report is Diana Huang.

"Crowe MacKay LLP"

**Chartered Professional Accountants
Vancouver, Canada
August 29, 2022**

SKRR EXPLORATION INC.
STATEMENTS OF FINANCIAL POSITION
AS AT APRIL 30, 2022 AND 2021
(Expressed in Canadian Dollars)

	As at April 30, 2022	As at April 30, 2021
	\$	\$
ASSETS		
Current assets		
Cash	1,439,040	3,142,329
GST receivables	173,080	202,461
Short-term investment (Note 4)	410,500	596,075
Prepaid expenses	313,531	209,174
Total current assets	2,336,151	4,150,039
Exploration and evaluation asset (Notes 5 and 7)	7,081,052	5,039,228
Total assets	9,417,203	9,189,267
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	22,478	605,400
Flow-through liabilities (Note 11)	-	136,484
Total liabilities	22,478	741,884
Equity		
Capital stock (Note 6)	16,237,756	14,565,842
Reserves (Note 6)	1,062,980	961,455
Deficit	(7,906,011)	(7,079,914)
Total equity	9,394,725	8,447,383
Total liabilities and equity	9,417,203	9,189,267

Nature and continuance of operations (Note 1)
Subsequent events (Note 12)

Approved and authorized on August 29, 2022 on behalf of the Board:

“SHERMAN DAHL”
Director

“ROSS MCELROY”
Director

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

SKRR EXPLORATION INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED APRIL 30, 2022 AND 2021
(Expressed in Canadian Dollars)

	For the year ended April 30, 2022	For the year ended April 30, 2021
	\$	\$
EXPENSES		
Consulting fees (Note 7)	156,560	30,000
Filing fees	31,261	58,944
Investor relations and marketing	389,642	800,940
Office and administration (Note 7)	72,424	48,808
Professional fees (Note 7)	171,346	153,125
Property investigation expense	12,053	12,740
Stock-based compensation (Notes 6 and 7)	80,975	504,625
LOSS BEFORE OTHER ITEMS	(914,261)	(1,609,182)
Flow-through recovery (Note 11)	317,834	45,115
Government grant	50,000	-
Impairment of mineral property (Note 5)	(154,148)	-
Realized gain on sale of short-term investment (Note 4)	68,000	57,859
Unrealized gain (loss) on short-term investment (Note 4)	(193,522)	282,785
Net and comprehensive loss for the year	(826,097)	(1,223,423)
Basic loss per common share	\$ (0.02)	\$ (0.04)
Diluted loss per common share	\$ (0.02)	\$ (0.04)
Weighted average number of common shares outstanding – basic	53,001,057	31,037,132
Weighted average number of common shares outstanding –diluted	53,001,057	31,037,132

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

SKRR EXPLORATION INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED APRIL 30, 2022 AND 2021
(Expressed in Canadian Dollars)

	Capital stock				Total equity
	Shares	Amount	Reserves	Deficit	
		\$	\$	\$	\$
Balance, April 30, 2020	18,050,752	7,701,355	373,030	(5,856,491)	2,217,894
Private placement	24,213,372	6,631,378	-	-	6,631,378
Subscriptions receivable	-	(330,000)	-	-	(330,000)
Finders fees - cash	-	(212,307)	-	-	(212,307)
Finders fees - warrants	-	(83,800)	83,800	-	-
Finders fees – shares	313,530	-	-	-	-
Other share issuance costs	-	(94,590)	-	-	(94,590)
Flow-through premium	-	(181,599)	-	-	(181,599)
Warrant exercises	1,832,362	316,405	-	-	316,405
Shares issued for mineral property	2,450,000	819,000	-	-	819,000
Stock-based compensation	-	-	504,625	-	504,625
Net loss and comprehensive loss for the year	-	-	-	(1,223,423)	(1,223,423)
Balance, April 30, 2021	46,860,016	14,565,842	961,455	(7,079,914)	8,447,383
Balance, April 30, 2021	46,860,016	14,565,842	961,455	(7,079,914)	8,447,383
Private placement, gross	16,465,895	1,580,951	-	-	1,580,951
Finders fees - cash	-	(61,595)	-	-	(61,595)
Finders fees - warrants	-	(20,550)	20,550	-	-
Share issuance costs	-	(6,542)	-	-	(6,542)
Share subscription received	-	330,000	-	-	330,000
Stock-based compensation	-	-	80,975	-	80,975
Shares issued for mineral property	350,000	31,000	-	-	31,000
Flow-through premium	-	(181,350)	-	-	(181,350)
Net loss and comprehensive loss for the year	-	-	-	(826,097)	(826,097)
Balance, April 30, 2022	63,675,911	16,237,756	1,062,980	(7,906,011)	9,394,725

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

SKRR EXPLORATION INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2022 AND 2021
(Expressed in Canadian Dollars)

	For the year ended April 30, 2022	For the year ended April 30, 2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	(826,097)	(1,223,423)
Non-cash items:		
Unrealized loss (gain) on short-term investment	193,522	(282,785)
Impairment of mineral property costs	154,148	-
Realized gain on short term investment	(68,000)	(57,859)
Stock-based compensation	80,975	504,625
Flow-through recovery	(317,834)	(45,115)
Changes in non-cash working capital items:		
Decrease (increase) in GST receivables	29,381	(182,411)
Increase in prepaid expenses	(104,357)	(171,674)
Increase (decrease) in accounts payable and accrued liabilities	(120,083)	62,790
Net cash flows used in operating activities	(978,345)	(1,395,852)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(2,627,811)	(3,131,526)
Purchase of short-term investment	(204,947)	(348,316)
Proceeds from sale of short-term investment	265,000	184,385
Net cash flows used in investing activities	(2,567,758)	(3,295,457)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placement gross proceeds	1,580,951	6,301,378
Finders fees and share issuance costs	(68,137)	(212,307)
Historical share subscriptions received	330,000	-
Other share issuance costs	-	(94,590)
Warrant exercises	-	316,405
Net cash flows provided by financing activities	1,842,814	6,310,886
Change in cash for the year	(1,703,289)	1,619,577
Cash, beginning of year	3,142,329	1,522,752
Cash, end of year	1,439,040	3,142,329
Cash paid for interest	-	-
Cash paid for tax	-	-
Accounts payable related to exploration and evaluation asset	6,336	469,175
Non-cash investing and financing activities		
Shares issued for exploration and evaluation asset	31,000	819,000
Finders fees – broker warrants	20,550	83,800

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

1. NATURE AND CONTINUANCE OF OPERATIONS

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

Going concern of operations

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

These financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at April 30, 2022, the Company has had significant losses and has a working capital of \$2,313,673 (April 30, 2021 - \$3,544,639). In addition, the Company has not generated revenues from operations. The Company has financed its operations primarily through the issuance of common shares, and short-term loans. In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. As such, there is a material uncertainty that raises significant doubt about the Company’s ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

The financial statements of the Company for the year ended April 30, 2022 are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the International Financial Interpretations Committee (“IFRIC”). These financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

These financial statements were authorized for issue by the Board of Directors on August 29, 2022.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of significant accounting judgments and critical accounting estimates

Significant accounting judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the ability of the Company to continue as a going concern and the assessment of any indicators of impairment of the carrying value of the Company’s exploration and evaluation asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractor and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs. Mineral exploration and evaluation expenditures are classified as intangible assets.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that do not affect either accounting or taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Flow-through shares

The Company finances a portion of its exploration activities through financings in which flow-through common shares are issued. These shares transfer the tax deductibility of qualifying resource expenditures to investors. At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received (i.e. the "flow-through commitment") as follows:

- Capital stock;
- Warrant reserve; and
- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature.

As qualifying resource expenditures are incurred, these costs are capitalized to exploration and evaluation assets.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time (before or after the end of the reporting period). Additionally, the Company reverses the liability for the flow-through share premium to other income as the expenditures are incurred.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Income (loss) per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on income (loss) per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the current fiscal year this calculation proved to be anti-dilutive. Basic income (loss) per share is calculated using the weighted-average number of shares outstanding during the period.

Provision for environmental rehabilitation

The Company recognizes the fair value of a liability for the provision for environmental rehabilitation in the year in which it is incurred when a reliable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense through profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. As at April 30, 2022, there was no material provision for environmental rehabilitation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. Consideration paid for the shares on the exercise of stock options is credited to capital stock. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in reserves remains in the same account. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment based on the fair market value of when the shares are issued. Otherwise, share-based payments are measured at the fair value of goods or services received.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive (loss) income (“FVOCI”), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) 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 FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

i. Financial assets and liabilities at FVTPL and FVOCI

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit and loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income (loss). Elected investments in equity instruments at FVOCI 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 (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii. Financial assets and liabilities at amortized cost

A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL, are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

iii. Impairment of financial assets at amortized cost

The Company recognizes on a forward-looking basis the expected credit losses (“ECL”) model on financial assets that are measured at amortized cost, contract assets and debt instruments carried at FVOCI.

At each reporting date, the Company measures the ECL for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the ECL for the financial asset at an amount equal to twelve month expected credit losses. The Company applies the simplified method and measures a loss allowance equal to the lifetime expected credit losses for trade receivables.

The Company recognizes in profit and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized. The loss allowance was \$nil as at April 30, 2022.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification under IFRS 9
Cash	FVTPL
Short-term investment	FVTPL
Accounts payable and accrued liabilities	Amortized cost

Accounting policies issued but not yet effective

The following accounting standards and amendments are effective for future periods.

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

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023 and are expected to have no significant impact on the future financial statements.

SKRR Exploration Inc.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED APRIL 30, 2022

4. SHORT-TERM INVESTMENT

	Taiga shares		Taiga warrants		MAS shares		MAS warrants		TOTAL
		\$		\$		\$		\$	\$
Balance at April 30, 2020	500,000	67,500	500,000	24,000	-	-	-	-	91,500
Additions	-	-	-	-	4,465,500	348,316	2,000,000	-	348,316
Proceeds from sale	-	-	-	-	(1,360,500)	(184,385)	-	-	(184,385)
Realized gain	-	-	-	-	-	57,859	-	-	57,859
Change in fair value	-	22,500	-	(7,000)	-	135,285	-	132,000	282,785
Balance at April 30, 2021	500,000	90,000	500,000	17,000	3,105,000	357,075	2,000,000	132,000	596,075
Additions	500,000	107,000	(500,000)	(17,000)	995,000	114,947	-	-	204,947
Proceeds from sale	(1,000,000)	(265,000)	-	-	-	-	-	-	(265,000)
Realized gain	-	68,000	-	-	-	-	-	-	68,000
Change in fair value	-	-	-	-	-	(82,522)	-	(111,000)	(193,522)
Balance at April 30, 2022	-	-	-	-	4,100,000	389,500	2,000,000	21,000	410,500

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

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

During the period ended April 30, 2022, the Company recognized an unrealized loss of \$193,522 (2021 – unrealized gain of \$282,785) , and a realized gain on sale of short-term investments of \$68,000 (2021 – \$57,859).

SKRR Exploration Inc.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED APRIL 30, 2022

5. EXPLORATION AND EVALUATION ASSET

Exploration and evaluation assets comprise the following accumulated expenditures:

	Cathro Gold	Ithingo Lake	Olson Gold	Leland Project	Irving Project	Manson Bay Project	Father Lake	Watts Lake	Other Projects	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at April 30, 2020	95,250	448,807	75,470	-	-	-	-	-	-	619,527
Acquisition costs	67,500	75,000	94,980	205,000	15,500	567,726	-	-	-	1,025,706
Drilling	-	-	2,149,105	659,981	-	-	-	-	-	2,809,086
Field and camp costs	-	-	194,223	90,672	-	-	-	-	9,219	294,114
Geological	9,840	34,988	21,551	37,806	42,163	20,587	-	-	10,299	177,234
Management, legal and admin	2,500	12,500	8,585	10,860	7,500	7,500	-	-	-	49,445
Report and survey	-	-	38,484	4,377	-	20,482	-	-	-	63,343
Tenure and maintenance	-	-	773	-	-	-	-	-	-	773
Balance at April 30, 2021	175,090	571,295	2,583,171	1,008,696	65,163	616,295	-	-	19,518	5,039,228
Acquisition costs	8,000	5,000	99,000	-	-	-	7,500	66,500	-	186,000
Airborne survey	-	-	-	-	238,759	-	62,500	-	-	301,259
Drilling	-	-	1,143,850	33,187	-	574,321	-	-	-	1,751,358
Field and camp costs	-	-	-	-	-	50,960	-	-	-	50,960
Geological	4,443	46,241	49,139	820	29,493	350,684	4,536	960	-	486,316
Geophysical	-	181,018	-	-	-	37,940	-	-	-	218,958
Management, legal and admin	7,476	7,643	11,976	10,976	9,834	11,976	2,143	-	-	62,024
Report and survey	-	-	9,154	469	-	27,771	-	-	-	37,394
Tenure and maintenance	-	-	1,703	-	-	-	-	-	-	1,703
Impairment	-	-	-	(154,148)	-	-	-	-	-	(154,148)
Recovery	-	-	-	(900,000)	-	-	-	-	-	(900,000)
Balance at April 30, 2022	195,009	811,197	3,897,993	-	343,249	1,669,947	76,679	67,460	19,518	7,081,052

5. EXPLORATION AND EVALUATION ASSET (continued)

Olson Gold Property

On October 24, 2019, the Company entered into an option agreement with Eagle Plains Resources Ltd. (“Eagle Plains”), under which the Company may acquire up to 75% of Eagle Plains’ Olson gold property, consisting of nine (9) mineral dispositions, located approximately 100 km east of La Ronge, Saskatchewan, in the Deschambault Lake area.

Under the agreement, the Company may earn-in up to a 51% interest in the property by making certain staged cash payments, share payments of common shares in the capital of the Company to Eagle Plains and exploration expenditures over a period as follows:

- (i) \$10,000 in cash upon execution of a letter of intent in respect of the transaction (paid);
- (ii) \$20,000 in cash and 200,000 common shares upon TSXV approval of the transaction and the agreement (shares issued; cash paid);
- (iii) \$40,000 in cash, 200,000 common shares and \$200,000 in exploration expenditures on or before December 31, 2020 (shares issued; cash paid);
- (iv) \$80,000 in cash, 200,000 common shares and \$500,000 in exploration expenditures on or before December 31, 2021 (shares issued; cash paid); and
- (v) \$100,000 in cash, 200,000 common shares and \$800,000 in exploration expenditures on or before December 31, 2022.

The Company may earn-in up to an additional 24% (75% total) interest in the property by making additional exploration expenditures of \$1,500,000 on the property and issuing 200,000 common shares of the Company to Eagle Plains on or before December 31, 2023.

Cathro Gold Property

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

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

Cash payable

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

Common shares

- i. 250,000 on the Approval Date (issued);
- ii. 250,000 on or before the 1st anniversary of the Approval Date (issued);
- iii. 100,000 on or before the 2nd anniversary of the Approval Date (issued);
- iv. 100,000 on or before the 3rd anniversary of the Approval Date;
- v. 100,000 on or before the 4th anniversary of the Approval Date; and
- vi. 100,000 on or before the 5th anniversary of the Approval Date.

Net Smelter Royal (“NSR”)

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

5. EXPLORATION AND EVALUATION ASSET (continued)

Ithingo Lake Property

On March 11, 2020, the Company entered into a non-arm's length option agreement to acquire 100% of the Ithingo Lake property from a private company owned by a director of the Company ("Edge").

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

Cash payable

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

Common shares

1,633,977 common shares within 30 days of TSX Venture Exchange approval (issued).

Net Smelter Royal ("NSR")

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

Work Expenditures

- i. \$100,000 of expenditures on the property on or before the 1st anniversary of the option agreement;
- ii. \$300,000 of cumulative expenditures on the property on or before the 2nd anniversary of the option agreement; and
- iii. \$500,000 of cumulative expenditures on the property on or before the 3rd anniversary of the option agreement.

The Company has not met the minimum expenditure requirement as of April 30, 2022, however, the Company, with the cooperation of the optionor, is working towards completing the expenditure commitment within the next twelve months.

Irving Lake Property

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

5. EXPLORATION AND EVALUATION ASSET (continued)

Leland Gold Property

On May 20, 2020, the Company entered into an option agreement to earn up to a 75% interest in the Leland gold property located 100 km east of La Ronge, northern Saskatchewan.

The Company may exercise an option to acquire 51% interest in the Leland gold property by making certain staged cash payments, share payments of common shares in the capital of the Company to the optionor and exploration expenditures over a period as follows:

- (i) \$30,000 in cash (paid) and 250,000 shares (issued) upon final TSX Venture Exchange approval of the Agreement;
- (ii) \$100,000 in exploration expenditures, \$25,000 in cash, and 250,000 shares on or before December 31, 2020 (shares issued; cash paid; exploration expenditures incurred);
- (iii) \$600,000 in exploration expenditures, \$165,000 in cash and 250,000 shares on or before December 31, 2021; and
- (iv) \$800,000 in exploration expenditures (totalling \$1,500,000), \$280,000 in cash (totalling \$500,000 in cash), and 250,000 shares (totalling 1,000,000 shares) on or before December 31, 2022.

On December 1, 2021, Taiga terminated the option agreement with the Company and paid \$900,000 to the Company for the termination which was accounted for as a recovery of costs. The remaining carrying value of \$154,148 was fully written off during the year ended April 30, 2022.

Manson Bay Property

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

Under the terms of the Acquisition Agreements, the Company acquired a 100% interest in the Manson Bay South Property and the Manson Bay Property by making a cash payments of \$10,000 and issuing 750,000 common shares of the Company to each of EPL and Edge (for aggregate consideration of \$20,000 of cash and 1,500,000 common shares. The Acquisition Agreements provide for an over-riding 2% net smelter return royalty in favour of EPL and Edge, respectively (subject to a buy down to 1% for \$1,000,000). Pursuant to the Acquisition Agreements, EPL will be the initial operator on both the Manson Bay and Manson Bay South claim packages, and EPL and Edge will alternate as operator every two years thereafter.

As of April 30, 2021, the cash payments were paid and the shares were issued.

Father Lake

On June 14, 2021, the Company entered into an agreement to acquire 100% interest in the Father Lake Nickel Property from Ross McElroy. Under the terms of the agreement, the company will pay \$7,500 (paid) for the property. On June 24, 2021, the Company received regulatory approval for this acquisition.

Watt Lake Zinc Property

On November 4, 2021, the Company entered into an agreement to acquire 100% interest in the Watts Lake Zinc Property from Edge. Under the terms of the agreement, the company will pay and issue shares as follows:

- i. \$62,500 in cash (paid) and 50,000 shares (issued) upon the Company received regulatory approval date; and
- ii. \$62,500 in cash on or before the 1st anniversary of the Company received regulatory approval date

On February 17, 2022, the Company received regulatory approval for this acquisition.

6. CAPITAL STOCK AND RESERVES

a) Authorized

Unlimited number of common shares, without par value.

b) Share issuances

During the year ended April 30, 2022

On December 17, 2021, the Company closed a non-brokered private placement for aggregate gross proceeds of \$1,580,951 from the sale of 12,090,000 flow-through units of the Company ("FT Unit") at a price of \$0.10 per FT Unit and 4,375,895 units of the Company ("Unit") at a price of \$0.085 per Unit. Each unit comprises one common share and one-half share purchase warrant exercisable at a price of \$0.14 per common share for a period of 24 months from the closing date of the private placement. The Company paid aggregate cash finder's fees of \$61,595 and issued 634,900 non-transferable common share purchase warrants exercisable at \$0.14 per common share for a period of 24 months from the closing date of the private placement.

During the year ended April 30, 2021

During the year April 30, 2021, 1,832,362 warrants exercised for gross proceeds of \$316,405.

On April 5, 2021, the Company closed a non-brokered private placement of 277,780 Units at \$0.27 per Unit. Each Unit comprises one common share and one-half share purchase warrant exercisable for twenty-four months from the date of closing for \$0.40 per share. The Company paid a cash finder's fee of \$1,743.

As of April 30, 2021, the Company had \$330,000 in subscription receivables and was subsequently collected.

On March 22, 2021, the Company closed a non-brokered private placement for aggregate gross proceeds of \$1,815,990 through the issuance of 6,053,300 flow-through shares at \$0.30 per share. Concurrently, the Company closed a non-brokered private placement of 772,407 Units at \$0.27 per Unit. Each Unit comprises one common share and one-half share purchase warrant exercisable for 24 months from the date of closing for \$0.40 per share. The Company also issued 353,500 agent compensation options. Each compensation option is exercisable at \$0.27 per unit for 24 months from the date of grant. Each unit comprises one share and one half share purchase warrant exercisable at \$0.40 per share for 24 months. The Company paid a cash finder's fee of \$107,695.

On October 28, 2020, the Company completed a non-brokered private placement of 8,478,885 flow through shares at a price of \$0.28 per flow through share for gross proceeds received totaled \$2,374,088. The Company paid a cash finder's fee of \$48,719, issued 313,530 finder shares, and issued 7,000 broker warrants exercisable for 18 months for \$0.28 per share.

On August 25, 2020, the Company completed a non-brokered private placement of 4,701,000 Units at a price of \$0.25 per Unit comprising one common share and one-half share purchase warrant exercisable at a price of \$0.50 per share for a period of 18 months from the date of issuance. Gross proceeds received totaled \$1,175,250. The Company paid a cash finder's fee of \$35,750 and issued 108,500 broker warrants with the same terms as the attached warrants of the same private placement.

On July 13, 2020, the Company completed a non-brokered private placement of 3,930,000 Units at a price of \$0.25 per Unit comprising one common share and one-half share purchase warrant exercisable at a price of \$0.50 per share for a period of 18 months from the date of issuance. Gross proceeds received totaled \$982,500. The Company paid a cash finder's fee of \$18,400 and issued 36,400 broker warrants with the same terms as the attached warrants of the same private placement.

6. CAPITAL STOCK AND RESERVES (continued)

Stock options

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

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

	Number of Options	Weighted Average Exercise Price
		\$
Balance, April 30, 2020	1,797,375	0.30
Granted	3,088,620	0.26
Expired	(200,000)	0.40
Balance, April 30, 2021	4,685,995	0.27
Granted	1,675,000	0.08
Balance, April 30, 2022	6,360,995	0.22

On August 28, 2020, 250,000 options were granted to a third party consultant of the Company. The options are exercisable at \$0.37 per share for five years from date of grant and vest immediately upon grant. The fair value of the options was estimated at \$70,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.37, expected volatility – 109.449% (based on historical volatility), risk-free interest rate – 0.378%, exercise price of \$0.37 and an expected average life of 5 years.

On September 25, 2020, 250,000 options were granted to an investor relations consultant of the Company. The options are exercisable at \$0.32 per share for two years from date of grant and vest quarterly over 12 months. The fair value of the options was estimated at \$45,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.32, expected volatility – 110% (based on historical volatility), risk-free interest rate – 0.245%, exercise price of \$0.32 and an expected average life of 2 years.

On January 12, 2021, 1,608,870 options were granted to an directors, officers and consultants of the Company. The options are exercisable at \$0.25 per share for three years from date of grant and vest immediately upon grant. The fair value of the options was estimated at \$257,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.25, expected volatility – 105% (based on historical volatility), risk-free interest rate – 0.2293%, exercise price of \$0.25 and an expected average life of 3 years.

On April 6, 2021, 979,750 options were granted to an directors, officers and consultants of the Company. The options are exercisable at \$0.23 per share for three years from date of grant and vest immediately upon grant. The fair value of the options was estimated at \$142,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.23, expected volatility – 103% (based on historical volatility), risk-free interest rate – 0.2929%, exercise price of \$0.23 and an expected average life of 3 years.

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6. CAPITAL STOCK AND RESERVES (continued)

On February 17, 2022, 1,675,000 options were granted to an directors, officers and consultants of the Company. The options are exercisable at \$0.08 per share for three years from date of grant and vest immediately upon grant. The fair value of the options was estimated at \$71,600, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield –Nil%, share price of \$0.08, expected volatility – 82.2% (based on historical volatility), risk-free interest rate – 1.528%, exercise price of \$0.08 and an expected average life of 3 years.

As at April 30, 2022, the Company’s stock options are summarized as:

Exercise price	Expiry date	Number of Options
\$ 0.30	January 23, 2025	1,050,000
\$ 0.25	April 15, 2023	547,375
\$ 0.37	August 28, 2025	250,000
\$ 0.32	September 25, 2022	250,000
\$ 0.25	January 12, 2024	1,608,870
\$ 0.23	April 6, 2024	979,750
\$ 0.08	February 17, 2025	1,675,000
TOTAL		6,360,995

As of April 30, 2022, the weighted average remaining life of stock options is 2.15 years (2021 – 2.91 years).

As of April 30, 2022, the Company has 6,360,995 exercisable options (2021 – 4,560,995).

c) Warrants

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

	Number of Warrants	Weighted Average Exercise Price \$
Balance, April 30, 2020	6,737,997	0.30
Issued	5,345,994	0.47
Exercised	(1,832,362)	0.17
Balance, April 30, 2021	10,251,629	0.41
Granted	8,867,848	0.14
Expired	(9,373,035)	0.42
Balance, April 30, 2022	9,746,442	0.16

On December 17, 2021, 634,900 broker warrants were issued to agents of the Company. The warrants are exercisable at \$0.14 per share for 24 months from date of grant. The fair value of the warrants was estimated at \$20,550, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield –Nil%, share price of \$0.085, expected volatility – 82.2% (based on historical volatility), risk-free interest rate – 1.528%, exercise price of \$0.14 and an expected average life of 24 months.

6. CAPITAL STOCK AND RESERVES (continued)

On March 22, 2021, 353,500 compensation options were issued to agents of the Company. The compensation options are exercisable at \$0.27 per unit for 24 months from date of grant and are further exercisable into one common share and one half share purchase option exercisable at \$0.40 per share for 24 months. The fair value of the compensation options was estimated at \$63,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.28, expected volatility – 103.45% (based on historical volatility), risk-free interest rate – 0.2929%, exercise price of \$0.27 and an expected average life of 24 months.

On October 28, 2020, 7,000 broker warrants were issued to agents of the Company. The warrants are exercisable at \$0.28 per share for 18 months from date of grant. The fair value of the warrants was estimated at \$1,100, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.30, expected volatility – 107.33% (based on historical volatility), risk-free interest rate – 0.247%, exercise price of \$0.28 and an expected average life of 18 months.

On August 25, 2020, 108,500 broker warrants were issued to agents of the Company. The warrants are exercisable at \$0.50 per share for 18 months from date of grant. The fair value of the warrants was estimated at \$15,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.33, expected volatility – 105.10% (based on historical volatility), risk-free interest rate – 0.247%, exercise price of \$0.50 and an expected average life of 18 months.

On July 13, 2020, 36,400 broker warrants were issued to agents of the Company. The warrants are exercisable at \$0.50 per share for 18 months from date of grant. The fair value of the warrants was estimated at \$4,700, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.31, expected volatility – 115.20% (based on historical volatility), risk-free interest rate – 0.25%, exercise price of \$0.50 and an expected average life of 18 months.

As at April 30, 2022, the Company’s share purchase warrants are summarized as:

Exercise price	Expiry date	Number of Warrants
\$ 0.40	March 22, 2023	386,204
\$ 0.40	April 5, 2023	138,890
\$ 0.27	March 22, 2023	353,500*
\$ 0.14	December 17, 2023	6,045,000
\$ 0.14	December 17, 2023	2,187,948
\$ 0.14	December 17, 2023	634,900
	TOTAL	9,746,442

*These are agent compensation options that are exercisable into one share and one half share purchase warrant. Each warrant is exercisable into one share at \$0.40 for two years.

As at April 30, 2022, the weighted average remaining life of share purchase warrants is 1.57 years (2021 – 0.77 years).

7. RELATED PARTY TRANSACTIONS

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

	For the year ended April 30, 2022	For the year ended April 30, 2021
	\$	\$
Exploration and evaluation	403,870	437,355
Consulting	17,500	20,000
Office and administration	12,600	12,600
Professional	80,000	60,000
Stock-based compensation	39,754	243,091

As at April 30, 2022, \$6,336 (2021 - \$18,507) was owing to related parties for expenses incurred on behalf of the Company, unpaid service fees, geological services. All amounts payable to related parties are unsecured, non-interest bearing and due on demand.

See Note 5 for additional related party disclosure.

8. FINANCIAL INSTRUMENTS AND RISKS

Fair value

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

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

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

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

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

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

April 30, 2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	1,439,040	-	-	1,439,040
Short term investments – shares	389,500	-	-	389,500
Short term investments – warrants	-	-	21,000	21,000

8. FINANCIAL INSTRUMENTS AND RISKS (continued)

April 30, 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	3,142,329	-	-	3,142,329
Short term investments – shares	447,075	-	-	447,075
Short term investments – warrants	-	-	149,000	149,000

There were no transfers between level 1 and 2 during the year ended April 30, 2021 and the year ended April 30, 2022. The methodology and assessment of inputs for determining the fair values of financial assets and liabilities as well as the levels of hierarchy remain unchanged.

Financial risk factors

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

Credit risk

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

Liquidity risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2022, the Company had a cash balance of \$1,439,040 (April 30, 2021 - \$3,142,329) to settle accounts payable of \$22,478 (April 30, 2021- \$605,400). All of the Company’s financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

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

a) *Interest rate risk*

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

b) *Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in a foreign currency. As at April 30, 2022, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

c) *Price risk*

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

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9. CAPITAL MANAGEMENT

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

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

10. DEFERRED INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

For the year ended	April 30, 2022	April 30, 2021
	\$	\$
Loss before income taxes	(826,097)	(1,223,423)
Corporate tax rate	27%	27%
Expected income tax recovery at statutory rates	(223,046)	(330,324)
Permanent differences	(47,006)	78,081
Change in tax benefits not recognized	270,052	252,243
	-	-

The significant components of the Company's deferred income tax assets and liabilities are as follows:

	April 30, 2022	April 30, 2021
	\$	\$
Non-capital loss carry forwards	1,263,000	1,008,000
Undeducted exploration and development expenses	(645,000)	164,000
Investment	(11,000)	(45,000)
Share issuance costs	76,000	84,000
	683,000	1,211,000
Unrecognized deferred tax assets	(683,000)	(1,211,000)
Net deferred tax assets	-	-

At April 30, 2022, the Company has non-capital losses of approximately \$4,673,000 (2021 - \$3,732,000) which may be available to offset future income for income tax purposes. These losses expire on various years from 2034 to 2042. In addition, there are resource-related expenditures of approximately \$4,693,000 (2021 - \$5,648,000) which may be used to offset future taxable resource income indefinitely, subject to annual rates prescribed by the Canadian Income Tax Act.

Deferred tax benefits which may arise as a result of these non-capital losses and resource deductions have not been recognized in these financial statements.

11. FLOW-THROUGH LIABILITIES

Flow-through liabilities consist of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through share issuances.

	April 30, 2022	April 30, 2021
Balance, beginning of year	\$ 136,484	\$ -
Liability incurred on flow-through shares issued during the year	181,350	181,599
Settlement of flow-through share liability by incurring expenditures	(317,834)	(45,115)
Balance, end of year	\$ -	\$ 136,484

In October 2020, the Company issued 8,478,885 flow-through shares at a price of \$0.28 per share. The premium paid by investors was calculated as \$nil per share. Accordingly, \$nil was recorded as flow-through liabilities.

In March 2021, the Company issued 6,053,300 flow-through shares at a price of \$0.30 per share. The premium paid by investors was calculated as \$0.03 per share. Accordingly, \$181,599 was recorded as flow-through liabilities.

In December 2021, the Company issued 12,090,000 flow-through units at a price of \$0.10 per unit. The premium paid by investors was calculated as \$0.015 per share. Accordingly, \$181,350 was recorded as flow-through liabilities.

As at April 30, 2022, the Company did not have any remaining commitment to incur exploration expenditures (2021 - \$1,364,844).

12. SUBSEQUENT EVENTS

On June 9, 2022, the Company closed an acquisition deal for all the issued and outstanding shares 1364991 B.C. Ltd., an arm's length private B.C. company that holds an undivided 100% interest in the Nickel Peak 1 and Nickel Peak 2 claim blocks through the issuance of 3,000,000 shares of the Company to the shareholders of 1364991 B.C. Ltd.

On July 6, 2022, the Company completed a non-brokered private placements for gross proceeds of up to \$229,502 through the issuance of 909,091 Units, and 2,991,700 FT Units at a price of \$0.055 per Unit, and \$0.06 per FT Unit, respectively. Each Unit comprises one common share of the Company and one common share purchase warrant. Each FT Unit comprises one common share of the Company to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one common share purchase warrant. Each common share purchase warrant will entitle the holder thereof to purchase one common share of the Company at a price of \$0.08 for a period of 24 months following the closing of the private placement.