

SKRR EXPLORATION INC.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED APRIL 30, 2023

Independent Auditor's Report

To the Shareholders of SKRR Exploration Inc.

Opinion

We have audited the consolidated financial statements of SKRR Exploration Inc. (the "Group"), which comprise the consolidated statements of financial position as at April 30, 2023 and April 30, 2022 and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at April 30, 2023 and April 30, 2022, and its consolidated financial performance and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained 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 consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended April 30, 2023. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Exploration and Evaluation Assets

As disclosed in Note 5 to the consolidated financial statements, the carrying value of mineral exploration and evaluation assets represents a significant asset of the Group. Refer to Note 3 to the consolidated financial statements for a description of the accounting policy and significant judgments applied to mineral exploration and evaluation assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to mineral exploration and evaluation assets. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of mineral exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

Why the matter was determined to be a key audit matter

We considered this a key audit matter due to (i) the significance of the mineral exploration and evaluation assets balance and (ii) the judgments made by management in its assessment of indicators of impairment related to mineral exploration and evaluation assets, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

How the matter was addressed in our audit

We have evaluated management's assessment of impairment indicators per IFRS 6 Exploration for and Evaluation of Mineral Resources, including but not limited to:

- Obtaining, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates;
- Assessing compliance with option agreements by reviewing agreements, vouching cash payments and share issuances;
- Enquiring with management and reviewing its future plans and other documentation as evidence that further exploration and evaluation activities in the area of interest will be continued in the future;
- Assessing whether any data exists to suggest that the carrying value of the exploration and evaluation assets is unlikely to be recovered through development or sale; and
- Assessing the adequacy of the related disclosures in Note 3 and Note 5 to the consolidated financial statements.

Other Information

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

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions

and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 23, 2023**

SKRR EXPLORATION INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	As at April 30, 2023	As at April 30, 2022
	\$	\$
ASSETS		
Current assets		
Cash	1,035,498	1,439,040
GST receivables	110,026	173,080
Other receivable (Note 5)	75,000	-
Short-term investment (Note 4)	556,600	410,500
Prepaid expenses	34,539	313,531
Total current assets	1,811,663	2,336,151
Exploration and evaluation asset (Notes 5 and 7)	4,065,486	7,081,052
Total assets	5,877,149	9,417,203
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	77,563	22,478
Equity		
Capital stock (Note 6)	16,632,507	16,237,756
Reserves (Note 6)	1,112,980	1,062,980
Deficit	(11,945,901)	(7,906,011)
Total equity	5,799,586	9,394,725
Total liabilities and equity	5,877,149	9,417,203

Nature and continuance of operations (Note 1)

Subsequent events (Note 11)

Approved and authorized on August 23, 2023 on behalf of the Board:

“SHERMAN DAHL”
Director

“IAIN BUTLER”
Director

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

SKRR EXPLORATION INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For year ended April 30, 2023	For the year ended April 30, 2022
	\$	\$
EXPENSES		
Consulting fees (Note 7)	165,325	156,560
Filing fees	29,206	31,261
Investor relations and marketing	95,379	389,642
Office and administration (Note 7)	56,636	72,424
Professional fees (Note 7)	175,151	171,346
Property investigation expense	2,049	12,053
Stock-based compensation (Notes 6 and 7)	49,000	80,975
LOSS BEFORE OTHER ITEMS	(572,746)	(914,261)
Government grant	50,000	50,000
Impairment of mineral property (Note 5)	(3,564,026)	(154,148)
Flow through premium recovery	14,959	317,834
Realized gain (loss) on short-term investment (Note 4)	(229,206)	68,000
Realized gain on sale of mineral property (Note 5)	308,163	-
Unrealized gain (loss) on short-term investment (Note 4)	(47,034)	(193,522)
Net and comprehensive loss for the year	(4,039,890)	(826,097)
Basic loss per common share	\$ (0.29)	\$ (0.08)
Diluted loss per common share	\$ (0.29)	\$ (0.08)
Weighted average number of common shares outstanding – basic (2022, after share consolidation)	13,933,558	10,600,211
Weighted average number of common shares outstanding –diluted (2022, after share consolidation)	13,933,558	10,600,211

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

SKRR EXPLORATION INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Capital stock				Total equity
	Shares	Amount	Reserves	Deficit	
		\$	\$	\$	\$
Balance, April 30, 2021	9,372,003	14,565,842	961,455	(7,079,914)	8,447,383
Private placement, gross	3,293,179	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	70,000	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	12,735,182	16,237,756	1,062,980	(7,906,011)	9,394,725
Balance, April 30, 2022	12,735,182	16,237,756	1,062,980	(7,906,011)	9,394,725
Private placement, gross	780,158	229,502	-	-	229,502
Finders fees and share issuance costs - cash	-	(2,792)	-	-	(2,792)
Finders fees - warrants	-	(1,000)	1,000	-	-
Flow-through share premium	-	(14,959)	-	-	(14,959)
Shares issued for mineral property	140,000	19,000	-	-	19,000
Shares issued for acquisition of 1364991 B.C. Ltd.	600,000	165,000	-	-	165,000
Stock-based compensation	-	-	49,000	-	49,000
Net loss and comprehensive loss for the year	-	-	-	(4,039,890)	(4,039,890)
Balance, April 30, 2023	14,255,340	16,632,507	1,112,980	(11,945,901)	5,799,586

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

SKRR EXPLORATION INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For year ended April 30, 2023	For the year ended April 30, 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	(4,039,890)	(826,097)
Non-cash items:		
Unrealized loss (gain) on short-term investment	47,034	193,522
Impairment of mineral property	3,564,026	154,148
Realized loss (gain) on short term investment	229,206	(68,000)
Stock-based compensation	49,000	80,975
Flow-through share premium recovery	(14,959)	(317,834)
Gain on sale of mineral property	(308,163)	-
Changes in non-cash working capital items:		
Decrease (increase) in GST and other receivables	63,054	29,381
Decrease (increase) in prepaid expenses	83,317	(104,357)
Increase (decrease) in accounts payable and accrued liabilities	57,154	(120,083)
Net cash flows used in operating activities	<u>(270,221)</u>	<u>(978,345)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	(302,691)	(3,527,811)
Proceeds from sale of mineral property	75,000	-
Proceeds from termination of option agreement	-	900,000
Purchase of short-term investment	(278,888)	(204,947)
Proceeds from sale of short-term investment	146,548	265,000
Net cash flows used in investing activities	<u>(360,031)</u>	<u>(2,567,758)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placement gross proceeds	229,502	1,580,951
Finders fees and share issuance costs	(2,792)	(68,137)
Share subscription received	-	330,000
Net cash flows provided by financing activities	<u>226,710</u>	<u>1,842,814</u>
Change in cash for the year	(403,542)	(1,703,289)
Cash, beginning of year	<u>1,439,040</u>	<u>3,142,329</u>
Cash, end of year	<u>1,035,498</u>	<u>1,439,040</u>
Cash paid for interest	-	-
Cash paid for tax	-	-
Accounts payable related to exploration and evaluation asset	-	6,336
Prepaid expenses related to exploration and evaluation asset	-	195,675
Non-cash investing and financing activities		
Shares issued for exploration and evaluation asset	19,000	31,000
Finders fees – broker warrants	1,000	20,550
Shares issued for acquisition of subsidiary	165,000	-
Shares received from sale of mineral property	290,000	-
Other receivable from sale of mineral property	75,000	-

The accompanying notes are an integral part of these consolidated 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, 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 consolidated 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, 2023, the Company has had significant losses and has a working capital of \$1,734,100 (April 30, 2022 - \$2,313,673). 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 consolidated financial statements of the Company for the year ended April 30, 2023 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 consolidated financial statements are presented in Canadian dollars, which is also the Company’s and its subsidiary’s functional currency.

These consolidated financial statements were authorized for issue by the Board of Directors on August 23, 2023.

Basis of measurement

These consolidated 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 consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its controlled entity. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation. The Company owns 100% of 1364991 B.C. Ltd. which is the registered tenure holder of the Company’s mineral interests in the Nickel Peak 1 and Nickel Peak 2 claim blocks.

2. BASIS OF PRESENTATION (continued)

Basis of consolidation (continued)

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest April 30, 2023	Proportion of Ownership Interest April 30, 2022	Principal Activity
1364991 B.C. Ltd.	B.C., Canada	100%	-	Holder of tenures

Share consolidation

The Company finalized a share consolidation on the basis of five existing common shares into one common share (5:1) effective July 10, 2023 (Note 11). All balances of common shares, common share purchase warrants and stock options herein are reflective of the share consolidation (unless otherwise noted).

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 consolidated financial statements include the assessment of the ability of the Company to continue as a going concern and impairment of exploration and evaluation assets.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

Exploration and evaluation expenditures (continued)

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. The Company accounts for the mineral exploration tax credit on a cash basis due to uncertainty of the recoverability of the tax credit.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and prior 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, 2023, there was no material provision for environmental rehabilitation.

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 cannot be reliably measured, 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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).

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.

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, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification under IFRS 9
Cash	FVTPL
Short-term investment	FVTPL
Other receivable	Amortized cost
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. The Company is in the process of assessing the impacts of the adoption of these standards and amendments in the Company's financial statements.

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.

Amendments to IAS 8 – Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

These amendments are effective for reporting periods beginning on or after January 1, 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are effective for reporting periods beginning on or after January 1, 2023.

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4. SHORT-TERM INVESTMENT

	TOTAL
	\$
Balance at April 30, 2021	596,075
Additions	204,947
Proceeds from sale	(265,000)
Realized gain	68,000
Change in fair value	(193,522)
Balance at April 30, 2022	410,500
Additions	568,888
Proceeds from sale	(146,548)
Realized loss	(229,206)
Change in fair value	(47,034)
Balance at April 30, 2023	556,600

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.

On March 31, 2023, the Company received 2,000,000 Fathom Nickel Inc. (“Fathom”) at a price of \$0.145 per share for a total of \$290,000 (Note 5). The fair market value as of the day of acquisition was \$290,000.

Through the year ended April 30, 2023, the Company purchased additional marketable securities for \$278,888 (2022 - \$Nil) and sold some of these securities for proceeds of \$36,072 (2022 - \$Nil) during the same fiscal year.

Through the year 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 was exercisable at price of \$0.10 per share for 24 months; these warrants expired unexercised on December 15, 2022. The Company sold 1,360,500 shares of MAS for \$184,385 during the year ended April 30, 2021. Through the year ended April 30, 2022, the Company purchased additional 995,000 shares of MAS for \$114,947. The Company sold 4,100,000 shares of MAS for \$110,476 during the year ended April 30, 2023.

As at April 30, 2023, the Company value of the short-term investments was adjusted to fair market value.

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5. EXPLORATION AND EVALUATION ASSET

Exploration and evaluation assets comprise the following accumulated expenditures:

	Cathro Gold	Ithingo Lake	Olson Gold	Irving Lake	Manson Bay	Father Lake	Watts Lake	Nickel Peak	Carp River	Other Projects	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at April 30, 2021	175,090	571,295	2,583,171	65,163	616,295	-	-	-	-	1,028,214	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	-	574,321	-	-	-	-	33,187	1,751,358
Field and camp costs	-	-	-	-	50,960	-	-	-	-	-	50,960
Geological	4,443	46,241	49,139	29,493	350,684	4,536	960	-	-	820	486,316
Geophysical	-	181,018	-	-	37,940	-	-	-	-	-	218,958
Management, legal and admin	7,476	7,643	11,976	9,834	11,976	2,143	-	-	-	10,976	62,024
Report and survey	-	-	9,154	-	27,771	-	-	-	-	469	37,394
Tenure and maintenance	-	-	1,703	-	-	-	-	-	-	-	1,703
Impairment	-	-	-	-	-	-	-	-	-	(154,148)	(154,148)
Proceeds from termination	-	-	-	-	-	-	-	-	-	(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
Acquisition costs	9,000	-	110,000	-	-	-	63,328	169,267	7,000	-	358,595
Geological	97,586	13,454	23,645	18,458	800	6,255	1,049	20,219	2,258	332	184,056
Geophysical	-	6,671	-	-	4,132	6,671	-	-	-	-	17,474
Management, legal and admin	6,875	11,518	15,893	5,893	12,143	9,643	-	9,643	-	-	71,608
Reports and survey	7,907	-	15,645	-	10,000	-	-	2,500	-	-	36,052
Tenure and maintenance	-	-	2,310	-	-	-	-	3,222	-	6,980	12,512
Impairment	(316,377)	(842,840)	-	(367,600)	(1,697,022)	(99,248)	-	(204,851)	(9,258)	(26,830)	(3,564,026)
Proceeds from sale	-	-	-	-	-	-	(440,000)	-	-	-	(440,000)
Gain on sale	-	-	-	-	-	-	308,163	-	-	-	308,163
Balance at April 30, 2023	-	-	4,065,486	-	-	-	-	-	-	-	4,065,486

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 acquired 75% of Eagle Plains’ Olson gold property, comprising nine (9) mineral dispositions, located approximately 100 km east of La Ronge, Saskatchewan, in the Deschambault Lake area.

Under the agreement, the Company completed cash payments, and 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 40,000 common shares upon TSXV approval of the transaction and the agreement (shares issued; cash paid);
- iii. \$40,000 in cash, 40,000 common shares and \$200,000 in exploration expenditures on or before December 31, 2020 (shares issued; cash paid);
- iv. \$80,000 in cash, 40,000 common shares and \$500,000 in exploration expenditures on or before December 31, 2021 (shares issued; cash paid); and
- v. \$100,000 in cash (paid), 40,000 common shares (issued on February 22, 2023) and an additional \$800,000 in exploration expenditures (for an aggregate total of at least \$1,500,000) on or before December 31, 2022 (incurred and completed).

The Company acquired a 51% interest in the Olson property initially, and then earned an additional 24% (75% total) interest in the property by making additional exploration expenditures of \$1,500,000 (completed) on the property and issuing 40,000 common shares (issued on February 22, 2023). There are no further cash or share payment obligations anticipated.

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 acquired 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. 50,000 on the Approval Date (issued);
- ii. 50,000 on or before the 1st anniversary of the Approval Date (issued);
- iii. 20,000 on or before the 2nd anniversary of the Approval Date (issued);
- iv. 20,000 on or before the 3rd anniversary of the Approval Date (issued February 13, 2023);
- v. 20,000 on or before the 4th anniversary of the Approval Date (issued February 13, 2023); and
- vi. 20,000 on or before the 5th anniversary of the Approval Date (issued February 13, 2023).

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.

The property’s carrying value was written off during the year ended April 30, 2023, as the Company re-evaluates its future plans with respect to this property.

5. EXPLORATION AND EVALUATION ASSET (continued)

Ithingo Lake Property

On March 11, 2020, and amended on April 20, 2023, the Company entered into a non-arm's length option agreement to acquire 100% of the Ithingo Lake property from a private company ("Edge") owned by a former director of the Company.

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

326,795 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 (completed);
- ii. \$500,000 of cumulative expenditures on the property on or before the 4th anniversary of the option agreement.

The property's carrying value was written off during the year ended April 30, 2023, as the Company re-evaluates its future plans with respect to this property.

Irving Lake Property

On April 26, 2020, and amended on May 13, 2020 and April 20, 2023, 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 former 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 four-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). On May 22, 2020, the Company received approval for the option agreement and its first amendment.

The property's carrying value was written off during the year ended April 30, 2023 as the Company re-evaluates its future plans with respect to this property.

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 50,000 shares (issued) upon final TSX Venture Exchange approval of the Agreement;
- ii. \$100,000 in exploration expenditures, \$25,000 in cash, and 50,000 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 50,000 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 50,000 shares (totalling 200,000 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. All comparative information has been reclassified to Other Projects.

Manson Bay Property

On August 31, 2020, the Company acquired 100% interest in Eagle Plains' Manson Bay South Property comprising nine mineral claims, in addition to acquiring 100% in Edge's Manson Bay Property comprising four adjacent mineral claims. Edge is owned and operated by a director of the Company. Eagle Plains 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 150,000 common shares of the Company to each of Eagle Plains and Edge (for aggregate consideration of \$20,000 of cash and 300,000 common shares). The Acquisition Agreements provide for an over-riding 2% net smelter return royalty in favour of Eagle Plains and Edge, respectively (total 4%) (subject to a buy down to 1% for \$1,000,000 on each NSR). Pursuant to the Acquisition Agreements, Eagle Plains will be the initial operator on both the Manson Bay and Manson Bay South claim packages, and Eagle Plains 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.

The property's carrying value was written off during the year ended April 30, 2023 as the Company re-evaluates its future plans with respect to this property.

Father Lake

On June 14, 2021, the Company entered into a non-arm's length agreement to acquire 100% interest in the Father Lake Nickel Property from Edge. Under the terms of the agreement, the Company will pay \$7,000 (paid) for the property. On June 24, 2021, the Company received regulatory approval for this acquisition.

The property's carrying value was written off during the year ended April 30, 2023 as the Company re-evaluates its future plans with respect to this property.

5. EXPLORATION AND EVALUATION ASSET (continued)

Watts Lake Zinc Property

On November 4, 2021, the Company entered into a non-arm's length agreement to acquire 100% interest in the Watts Lake Zinc Property from Edge. Under the terms of the agreement, the Company paid and issued shares as follows:

- i. \$62,500 in cash (paid) and 10,000 shares (issued) upon the Company received regulatory approval date; and
- ii. \$62,500 (paid February 21, 2023) 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; the option was exercised on February 21, 2023.

On March 22, 2023, the Company entered into a sales and acquisition agreement with Fathom whereby Fathom would acquire all the Watts Lake Zinc Property for the following cash and share payments to the Company:

- i. Initial cash payment of \$75,000 (received);
- ii. 400,000 common shares (received); and
- iii. an additional cash payment of \$75,000 60 days after signing of the agreement (received subsequent to April 30, 2023).

On June 14, 2023, the Company completed the sale of the Watts Lake Zinc Property to Fathom.

Nickel Peak Property

On June 9, 2022, the Company closed an acquisition transaction to acquire 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 600,000 shares of the Company to the shareholders of 1364991 B.C. Ltd.

The Company acquired 1364991 B.C. Ltd. for the sole purpose of acquiring the Nickel Peak property. Based on the number of shares acquired and the Company's decision making power, the Company has determined to be the acquirer. The acquisition was determined to be an asset acquisition because 1364991 B.C. Ltd. did not meet the definition of business. The total consideration paid totaled \$165,000 and has been allocated to the assets and liabilities acquired based on their estimated fair values on June 9, 2022 as follows:

		Total
		\$
Consideration:	Shares issued	165,000
Allocated:	Accounts payable	<u>(4,267)</u>
	Excess allocated to the property	<u>169,267</u>

The property's carrying value was written off during the year ended April 30, 2023 as the Company re-evaluates its future plans with respect to this property.

Carp River

On November 1, 2022, the Company entered into a non-arm's length agreement to acquire 100% interest in the Carp River Nickel-Copper-Cobalt project from Edge. Under the terms of the agreement, the company paid \$7,000 for the property and acquired 100% interest.

The property's carrying value was written off during the year ended April 30, 2023 as the Company re-evaluates its future plans with respect to this property.

6. CAPITAL STOCK AND RESERVES

a) Authorized

Unlimited number of common shares, without par value.

b) Share issuances

During the year ended April 30, 2023

On July 6, 2022, the Company completed a non-brokered private placements for gross proceeds of \$229,502 through the issuance of 181,818 units of the Company ("Unit"), and 598,340 flow-through units of the Company ("FT Unit") at a price of \$0.275 per Unit, and \$0.30 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 \$0.40 for a period of 24 months following the closing of the private placement.

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 2,418,000 FT Units at a price of \$0.50 per FT Unit and 875,179 Units of the Company at a price of \$0.425 per Unit. Each unit comprises one common share and one-half share purchase warrant exercisable at a price of \$0.70 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 126,980 non-transferable common share purchase warrants exercisable at \$0.70 per common share for a period of 24 months from the closing date of the private placement.

c) 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, 2021	937,199	1.35
Granted	335,000	0.40
Balance, April 30, 2022	1,272,199	1.10
Granted	203,000	0.40
Expired	(159,475)	1.36
Balance, April 30, 2023	1,315,724	0.95

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6. CAPITAL STOCK AND RESERVES (continued)

On February 17, 2022, 335,000 options were granted to an directors, officers and consultants of the Company. The options are exercisable at \$0.40 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 \$0.40, expected volatility – 82.2% (based on historical volatility), risk-free interest rate – 1.528%, exercise price of \$0.40 and an expected average life of 3 years.

On April 13, 2023, 203,000 options were granted to an directors, officers and consultants of the Company. The options are exercisable at \$0.40 per share for three years from date of grant and vest immediately upon grant. The fair value of the options was estimated at \$49,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield –Nil%, share price of \$0.30, expected volatility – 129% (based on historical volatility), risk-free interest rate – 3.047%, exercise price of \$0.40 and an expected average life of 3 years.

As at April 30, 2023, the Company’s stock options are summarized as:

Exercise price	Expiry date	Number of Options
\$ 1.50	January 23, 2025	210,000
\$ 1.85	August 28, 2025	50,000
\$ 1.25	January 12, 2024	321,774
\$ 1.15	April 6, 2024	195,950
\$ 0.40	February 17, 2025	335,000
\$ 0.40	April 13, 2026	203,000
TOTAL		1,315,724

As of April 30, 2023, the weighted average remaining life of stock options is 1.59 years (2022 – 2.15 years).

As of April 30, 2023, the Company has 1,315,724 exercisable options (2022 – 1,272,199).

d) Warrants

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

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, April 30, 2021	2,050,326	2.05
Granted	1,773,570	0.70
Expired	(1,874,607)	2.10
Balance, April 30, 2022	1,949,289	0.80
Granted	792,992	0.40
Expired	(175,719)	1.74
Balance, April 30, 2023	2,566,562	0.61

6. CAPITAL STOCK AND RESERVES (continued)

On July 6, 2022, 12,834 broker warrants were issued to agents of the Company. The warrants are exercisable at \$0.40 per share for 24 months from date of grant. The fair value of the warrants was estimated at \$1,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.25, expected volatility – 82.2% (based on historical volatility), risk-free interest rate – 1.528%, exercise price of \$0.40 and an expected average life of 24 months

On December 17, 2021, 126,980 broker warrants were issued to agents of the Company. The warrants are exercisable at \$0.70 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 \$0.425, expected volatility – 82.2% (based on historical volatility), risk-free interest rate – 1.528%, exercise price of \$0.70 and an expected average life of 24 months.

As at April 30, 2023, the Company’s share purchase warrants are summarized as:

Exercise price	Expiry date	Number of Warrants
\$ 0.70	December 17, 2023	1,209,000
\$ 0.70	December 17, 2023	437,590
\$ 0.70	December 17, 2023	126,980
\$ 0.40	July 6, 2024	780,158
\$ 0.40	July 6, 2024	12,834
TOTAL		2,566,562

As at April 30, 2023, the weighted average remaining life of share purchase warrants is 0.80 years (2022 – 1.57 years).

e) Flow-through premium liability

The Company fulfilled the obligation to incur \$179,502 eligible exploration and evaluation expenditures during the year ended April 30, 2023 in relation to the issuance of flow-through shares on July 6, 2022.

The Company fulfilled the obligation to incur \$136,484 and \$181,350 eligible exploration and evaluation expenditures during the year ended April 30, 2022 in relation to the issuance of flow-through shares on March 22, 2021 and December 17, 2021 respectively.

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, 2023	For the year ended April 30, 2022
	\$	\$
Exploration and evaluation	240,785	403,870
Consulting	12,143	17,500
Office and administration	11,550	12,600
Professional	85,000	80,000
Stock-based compensation	26,552	39,754

Included in exploration and evaluation expenditures: \$72,857 paid or accrued to the CEO for consulting services related to the mineral property projects (April 30, 2022 - \$62,024). \$167,928 paid or accrued to a private-Company owned by a former director for geological services related to the mineral property projects and property option payments (2022 - \$341,846).

Included in consulting expenses: \$12,143 paid or accrued to the CEO for executive management services. (2022 - \$17,500).

Included in office expenses: \$11,550 paid or accrued to a private Company owned by the CFO for office rent (2022 - \$12,600).

Included in professional fees: \$85,000 paid or accrued to a private Company owned by the CFO for accounting services (2022 - \$80,000).

During the year ended April 30, 2023, the Company realized \$26,552 (2022 - \$39,754) in stock-based compensation as a result of issuing options to directors and officers of the Company.

As at April 30, 2023, \$419 was owing to a private Company owned by the CFO for professional services, and \$1,265 owing to the CEO for expenses incurred on behalf of the Company. All amounts payable to related parties are unsecured, non-interest bearing and due on demand.

See Note 5 for additional related party disclosure on non-arm's length option agreements.

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, 2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	1,035,498	-	-	1,035,498
Short term investments – shares	556,600	-	-	556,600

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

There were no transfers between level 1 and 2 during the year ended April 30, 2023 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 consolidated 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, 2023, the Company had a cash balance of \$1,035,498 (April 30, 2022 - \$1,439,040) to settle accounts payable of \$77,563 (April 30, 2022- \$22,478). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

8. FINANCIAL INSTRUMENTS AND RISKS (continued)

Financial risk factors (continued)

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, 2023, 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 investment are subject to price risk.

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.

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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, 2023	April 30, 2022
	\$	\$
Loss before income taxes	(4,039,890)	(826,097)
Corporate tax rate	27%	27%
Expected income tax recovery at statutory rates	(1,091,000)	(223,000)
Permanent differences	91,000	(47,000)
Change in tax benefits not recognized	1,000,000	270,000
	-	-

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

	Expiry date	April 30, 2023	Expiry date	April 30, 2022
		\$		\$
Non-capital loss carry forwards	2034 - 2043	5,462,000	2034 - 2042	2,211,000
Undeducted exploration and development expenses	None	306,000	None	-
Capital loss carry forward	None	229,000	None	-
Share issuance costs	2024 - 2027	187,000	2023 - 2026	281,000
		6,184,000		2,492,000
Unrecognized deductible temporary differences		(6,184,000)		(2,492,000)
		-		-

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

The following is the analysis of recognized deferred tax assets and liabilities:

	2023	2022
	\$	\$
Deferred tax liabilities		
Investment	(4,000)	(10,000)
Resource properties	-	(645,000)
Deferred tax liabilities	(4,000)	(655,000)
Deferred tax assets		
Non-capital losses carry forward	-	655,000
Capital losses carry forward	4,000	-
Deferred tax assets	4,000	655,000
Net deferred tax assets (liabilities)	-	-

11. SUBSEQUENT EVENTS

Clearwater West Project

On May 10, 2023, the Company entered into an option agreement with F3 Uranium Corp. (F3") to acquire a 70% interest in the Clearwater West Property comprising 3 contiguous mineral claims across 11,786 hectares.

Under the agreement, and to earn an initial 50%, the Company must complete cash payments, share payments of common shares in the capital of the Company to F3 and exploration expenditures over a period as follows:

- (i) \$25,000 in cash upon execution of the option agreement (paid subsequent to April 30, 2023);
- (ii) \$25,000 in cash on or before December 31, 2023 (paid subsequent to April 30, 2023);
- (iii) 1,000,000 common shares (issued on May 25, 2023); and
- (iv) \$3,000,000 in work expenditures on the Clearwater West Property over two years.

F3 will retain a 2.0% NSR royalty of which 1% may be repurchased by the Company for \$1,000,000.

Upon completion of the 50% interest earn-in, F3 and the Company will automatically enter into a joint venture and will negotiate to formalize a joint venture agreement. Pursuant to the terms of the Clearwater West Agreement, the Company will have the option to increase its interest in the Clearwater West Property to 70% by making additional cash and exploration expenditures:

- (i) \$50,000 cash on or before December 31, 2024; and
- (ii) \$3,000,000 additional work expenditures on the Clearwater West Property on or before the third anniversary of the agreement.

Private Placement and Share Consolidation

On July 10, 2023, the Company completed a non-brokered private placement of \$45,000 along with a concurrent share consolidation of five existing common shares into one common share. The offering comprised of 40,000 post consolidation FT Units at \$0.25 per FT Unit and 175,000 post consolidation Units at \$0.20 per Unit. Each FT Unit and Unit comprises of one common share, and one share purchase warrant exercisable for \$0.30 post consolidation shares for 36 months.