



GLACIER LAKE
RESOURCES INC.

Consolidated Financial Statements

For the years ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Glacier Lake Resources Inc.

Opinion

We have audited the accompanying consolidated financial statements of Glacier Lake Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2023 and 2022, and the consolidated statements of operations and comprehensive loss, changes in shareholders' 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, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Company 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company has an accumulated deficit of \$9,972,529 as at March 31, 2023, has not generated revenues since inception, and expects to incur further losses in the development of its business. As stated in Note 2, these events and conditions indicate that a material uncertainty exists 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.

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 current year. 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.

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 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 Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 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 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 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 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 Company 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 Company 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

July 24, 2023

GLACIER LAKE RESOURCES INC.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	March 31, 2023	March 31, 2022
ASSETS			
Current assets			
Cash		\$ 374,516	\$ 979,137
Amounts receivable		8,682	9,758
Prepaid expenses		13,353	42,342
Total current assets		396,551	1,031,237
Non-current assets			
Reclamation bond		32,000	32,000
Total assets		\$ 428,551	\$ 1,063,237
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 102,216	\$ 26,354
Due to related parties	5	15,750	6,248
Total current liabilities		117,966	32,602
Shareholders' equity			
Share capital	6	9,556,259	9,556,259
Share-based payment reserve	6,7,8	726,855	726,855
Deficit		(9,972,529)	(9,252,479)
Total shareholders' equity		310,585	1,030,635
Total liabilities and shareholders' equity		\$ 428,551	\$ 1,063,237

Going concern (Note 2)

Proposed transaction (Note 13)

Approved and authorized for issuance by the Board of Directors on July 24, 2023:

"Nathan Chutas"
Director

"Gord Friesen"
Director

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

GLACIER LAKE RESOURCES INC.

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

		Years Ended March 31,	
	Note	2023	2022
OPERATING EXPENSES			
Accounting and audit	5	\$ 85,244	\$ 92,383
Consulting		476,418	620,612
Filing and regulatory fees		16,824	15,142
Legal fees		15,337	50,646
Management fees	5	12,715	75,081
Office, travel and miscellaneous		56,337	21,155
Property evaluation costs		43,288	-
Rent		9,315	-
Share-based payments	5, 8	-	140,730
Transfer agent fees		4,572	12,066
Write-down of exploration and evaluation assets		-	347,286
Loss and comprehensive loss for the year		\$ (720,050)	\$ (1,375,101)
Basic and diluted loss per share		\$ (0.03)	\$ (0.06)
Weighted average number of shares outstanding - basic and diluted		25,447,554	24,652,990

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

GLACIER LAKE RESOURCES INC.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share-based Payment Reserve	Deficit	Total
Balance, March 31, 2021	17,391,554	\$ 7,584,795	\$ 586,125	\$ (7,877,378)	\$ 293,542
Shares issued for private placement	8,000,000	2,000,000	-	-	2,000,000
Finders' shares issued	56,000	14,000	-	-	14,000
Share issuance costs	-	(42,536)	-	-	(42,536)
Share-based payments	-	-	140,730	-	140,730
Loss for the year	-	-	-	(1,375,101)	(1,375,101)
Balance, March 31, 2022	25,447,554	9,556,259	726,855	(9,252,479)	1,030,635
Loss for the year	-	-	-	(720,050)	(720,050)
Balance, March 31, 2023	25,447,554	\$ 9,556,259	\$ 726,855	\$ (9,972,529)	\$ 310,585

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

GLACIER LAKE RESOURCES INC.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	Years Ended March 31,	
	2023	2022
OPERATING ACTIVITIES		
Loss for the year	\$ (720,050)	\$ (1,375,101)
Items not affecting cash:		
Share-based payments	-	140,730
Write-down of exploration and evaluation assets	-	347,286
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	75,862	(222,341)
Amounts receivable	1,076	(5,817)
Due to related parties	9,502	(84,902)
Prepaid expenses	28,989	(42,342)
Net cash used in operating activities	(604,621)	(1,242,487)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	-	2,000,000
Shares issuance costs	-	(28,536)
Net cash provided by financing activities	-	1,971,464
Change in cash	(604,621)	728,977
Cash, beginning of year	979,137	250,160
Cash, end of year	\$ 374,516	\$ 979,137

Supplemental Cash Flow Information (Note 11)

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

GLACIER LAKE RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years ended March 31, 2023 and 2022

1. NATURE OF OPERATIONS

Glacier Lake Resources Inc. (the “Company”) is a resource exploration company focused on acquiring and exploring resource properties.

The Company was incorporated on May 28, 2008 under the laws of British Columbia. The Company’s head office and registered office is Suite 250, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7. The Company is listed on the TSX Venture Exchange under the symbol “GLI”.

The consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency.

During the year ended March 31, 2022, the Company entered into a definitive share purchase agreement to acquire the Kalahari Platinum Project in South Africa (note 12).

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The significant accounting policies applied in these consolidated financial statements are based on the IFRS issued and effective as of March 31, 2023.

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.

The presentation and functional currency of the Company and its subsidiary is Canadian dollars (“CDN dollars”).

Foreign currency denominated assets and liabilities are translated at the exchange rate prevailing at the date of the Statement of Financial Position for monetary items. Non-monetary assets and liabilities are translated at the rates prevailing at the transaction date. Revenues and expenses are translated using exchange rates prevailing at the dates of the transaction. Any exchange gain or loss that arises on transaction is included in the Statement of Operations and Comprehensive Loss for the year.

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

GLACIER LAKE RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years ended March 31, 2023 and 2022

2. BASIS OF PREPARATION (continued)

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

- 1) Realization of deferred income tax assets

Application of the going concern assumption: the assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

Going concern

These consolidated financial statements have been prepared assuming the Company will continue 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. As at March 31, 2023, the Company has an accumulated deficit of \$9,972,529 and has not generated any revenues since inception, and expects to incur further losses in the development of its business. The ability of the Company to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

Recent global issues, including the ongoing COVID-19 pandemic and political conflicts in other regions, have adversely affected workplaces, economies, supply chains, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations this time.

GLACIER LAKE RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years ended March 31, 2023 and 2022

2. BASIS OF PREPARATION (continued)

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company, which is incorporated under the laws of British Columbia, and its wholly owned subsidiary, Glacier Lake Resources (Nevada) Inc. which was incorporated in Nevada, USA. All significant intercompany balances and transactions have been eliminated upon consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The subsidiaries of the Company are as follows:

Name of subsidiary	Incorporation	Interest March 31, 2023	Interest March 31, 2022
Glacier Lake Resources (Nevada) Inc.	Nevada, USA	100%	100%

3. SIGNIFICANT ACCOUNTING POLICIES

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 contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

GLACIER LAKE RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years ended March 31, 2023 and 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the statement of operations.

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 also 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.

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of rehabilitation activities includes restoration, reclamation, and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

The Company does not have any significant rehabilitation obligations.

Impairment of non-current assets

At the end of each reporting period, the Company’s assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of operations for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

GLACIER LAKE RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years ended March 31, 2023 and 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of operations.

Share-based payments

The Company grants stock options to purchase 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 recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

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 fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods and services rendered.

Warrants

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the agreement. Warrants that are part of units are assigned a value based on the residual value of the unit after deducting the fair value of the common shares. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon qualifying expenses being incurred, the Company derecognizes the liability and the premium is recognized as a recovery in the statement of operations.

Income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

GLACIER LAKE RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years ended March 31, 2023 and 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reported period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Financial instruments

Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income (loss) ("FVOCI"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

GLACIER LAKE RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years ended March 31, 2023 and 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 elected to measure them at FVTPL.

<u>Asset or Liability</u>	<u>Classification</u>
Cash	Amortized cost
Amounts receivable	Amortized cost
Accounts payables and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost, the Company applies the expected credit loss impairment model.

GLACIER LAKE RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years ended March 31, 2023 and 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of:

	Silver Star Property	Hackett & North Wolverine Properties	Total
Balance, March 31, 2021	\$ 141,015	\$ 206,271	\$ 347,286
Write-down of exploration and evaluation assets	(141,015)	(206,271)	(347,286)
Balance, March 31, 2022 and 2023	\$ -	\$ -	\$ -

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Silver Star Property, British Columbia

On November 27, 2017, the Company acquired the Silver Star property located in the province of British Columbia.

On June 14, 2018, the Company entered into an option agreement with Torrent Gold Inc., ("Torrent") a company related by common management, whereby Torrent would acquire a 100% interest in the property. During the year ended March 31, 2021, Torrent elected to terminate its option to acquire the Silver Star Property.

The Company elected not to proceed with any exploration work on the property in the near future and wrote-down the property to \$nil as at March 31, 2022.

Hackett and North Wolverine Properties, British Columbia

The Company holds 100% interest in properties in the Hackett and North Wolverine properties located in the Sheslay area of northwestern British Columbia for consideration of 150,000 common shares (issued at a fair value of \$150,000) and a cash payment of \$20,000 (paid).

The Company elected not to proceed with any exploration work on the property in the near future and wrote-down the properties to \$nil as at March 31, 2022.

GLACIER LAKE RESOURCES INC.

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5. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

During the year ended March 31, 2023, the Company was involved in the following related party transactions:

- (a) Incurred management fees of \$12,715 (2022 - \$75,081) to a company controlled by the Chief Executive Officer. As at March 31, 2023, the Company owed \$nil (2022 - \$6,248) to this company. The amount due is non-interest bearing, unsecured, and due on demand.
- (b) Incurred accounting fees of \$60,000 (2022 - \$70,000) to an accounting firm where the Chief Financial Officer of the Company is a partner. As at March 31, 2023, the Company owed \$15,750 (2022 - \$Nil) to this company. The amount due is non-interest bearing, unsecured, and due on demand.

During the year ended March 31, 2023, the Company granted nil (2022 - 400,000) stock options to its directors of which \$nil (2022 - \$93,819) was recorded to share-based payments (Note 8).

6. SHARE CAPITAL

Authorized: Unlimited common shares without par value.

There were no shares issued during the year ended March 31, 2023.

Share transactions for the year ended March 31, 2022:

- (a) 8,000,000 units were issued at \$0.25 per unit for gross proceeds of \$2,000,000. Each unit consisted of one common share and one-half of the one common share purchase warrant. Each full share purchase warrant entitles the holder to acquire an additional common share at a price of \$0.35 for a period of three years. In connection with this private placement, the Company incurred cash share issuance costs of \$28,536. The Company also issued 56,000 finders' units at a fair value of \$14,000. Each finders' unit consists of one common share and one-half of the one finders' warrant, each full warrant is exercisable at \$0.35 per share for a period of three years.

7. SHARE PURCHASE WARRANTS

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, March 31, 2021	16,326,400	0.26
Granted	4,028,000	0.35
Expired	(326,400)	0.60
Balance, March 31, 2022 and 2023	20,028,000	0.27

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7. SHARE PURCHASE WARRANTS (continued)

As at March 31, 2023, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
4,028,000	0.35	May 6, 2024
16,000,000	0.25	January 13, 2025
<u>20,028,000</u>		

8. STOCK OPTIONS

The Company has a stock option plan in place 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 issued and outstanding common stock of the Company. Under the plan, the exercise price of each option shall not be less than the discounted market price of the Company's stock on the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

	Number of Options	Weighted Average Exercise Price \$
Outstanding, March 31, 2021	-	-
Granted	600,000	0.27
<u>Outstanding and exercisable, March 31, 2022 and 2023</u>	<u>600,000</u>	<u>0.27</u>

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

Number of options outstanding	Exercise price \$	Expiry date
600,000	0.27	May 6, 2026
<u>600,000</u>		

During the year ended March 31, 2022, the Company granted 600,000 stock options with a fair market value of \$140,730 or \$0.23 per option which was charged to operations. The following weighted average assumptions were used for the Black-Scholes valuation of the stock options assuming no expected dividends or forfeitures:

	Year ended March 31, 2023	Year ended March 31, 2022
Risk-free interest rate	-	0.91%
Expected life (in years)	-	5
<u>Expected volatility</u>	<u>-</u>	<u>133.92%</u>

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9. FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in shareholders' equity as capital. 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 new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at March 31, 2023, the Company is not subject to externally imposed capital requirements. There was no change to the Company's approach to capital management during the year.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at March 31, 2023, the Company had a cash balance of \$374,516 (2022 - \$979,137) and current liabilities of \$117,966 (2022 - \$32,602). The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset-backed commercial paper.

(c) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.

(d) Interest rate risk

The Company is not exposed to interest rate risk.

(e) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices to determine appropriate actions to be undertaken.

(f) Fair values

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

GLACIER LAKE RESOURCES INC.

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9. FINANCIAL INSTRUMENTS AND RISKS (continued)

The estimated fair values of cash, amounts receivable, accounts payable and accrued liabilities and amounts due to related parties, are equal to their carrying values due to the short-term nature of these instruments.

10. SEGMENTED INFORMATION

The Company currently conducts substantially all of its operations in Canada in one business segment being the acquisition and exploration of resource properties.

11. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash investing and financing activities:	Year Ended March 31, 2023	Year Ended March 31, 2022
Fair value of units issued for finders' fee	\$ -	\$ 14,000

12. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	2023	2022
Loss for the year	\$ (720,050)	\$ (1,375,101)
Expected tax recovery	(194,000)	(371,000)
Permanent differences	-	38,000
Share issue cost	-	(8,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(18,000)	-
Change in unrecognized deferred income tax assets	212,000	341,000
Income tax provision	\$ -	\$ -

Details of deferred income tax assets and liabilities are as follows:

	2023	2022
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ 145,000	\$ 119,000
Share issue costs	10,000	19,000
Non-capital losses available for future periods	2,078,000	1,883,000
	2,233,000	2,021,000
Unrecognized deferred income tax assets	(2,233,000)	(2,021,000)
Net deferred income tax asset	\$ -	\$ -

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12. INCOME TAXES (continued)

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

	2023	Expiry Date Range	2022	Expiry Date Range
Temporary differences				
Exploration and evaluation assets	\$ 538,000	No expiry date	\$ 442,000	No expiry date
Share issue costs	37,000	2043 to 2046	70,000	2043 to 2046
Non-capital losses available for future periods	7,696,000	2030 to 2043	6,973,000	2030 to 2042

13. PROPOSED TRANSACTION

During the year ended March 31, 2022, the Company entered into a definitive share purchase agreement with African Thunder Platinum Limited and Fanosi Holdings (Pty) Ltd. (collectively, the "Vendors"), pursuant to which the Company proposes to acquire (the "Transaction") a controlling interest in Stella Platinum (Pty) Ltd. and Greenstone Platinum (Pty) Ltd. (collectively, the "Owners"). The Owners control the prospecting rights for the Kalahari Platinum Project ("KalPlats") located in the Magisterial District of Vryburg in North West South Africa. The Owners have agreed to further extend the outside date for completion of the Transaction through until July 31, 2023.

To acquire the Owners and their interest in KalPlats, the Company must:

- Complete a cash payment equivalent to 50% of the proceeds realized by the Company from the sale of debt or equity securities to a maximum of \$15,000,000.
- Issue to the Vendors such number of units of the Company (each, a "Consideration Unit") as is equivalent to 19.9% of the issued and outstanding common share capital of the Company at the time of closing of the Transaction, with each Consideration Unit consisting of one common share of the Company and one common share purchase warrants (each, a "Consideration Warrant") exercisable at a price \$0.26 per share for a period of thirty-six months.
- Assume certain shareholder loans owing by the Owners to the Vendors.

The Vendors have agreed that they will not be permitted to exercise the Consideration Warrants to the extent that such exercise would result in them having ownership or control over more than 19.9% of the issued and outstanding common share capital of the Company at any given time.

The Transaction cannot be completed until certain conditions have been satisfied, and there can be no assurance that the Transaction will be completed in a timely fashion, or at all.

All securities of the Company to be issued to the Vendors in connection with the Transaction, will be subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws.