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**XANDER RESOURCES INC.**

**FINANCIAL STATEMENTS**

Year Ended March 31, 2023 and 2022

(EXPRESSED IN CANADIAN DOLLARS)

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DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

# Independent Auditor's Report

To the Shareholders of Xander Resources Inc.

## Opinion

We have audited the financial statements of Xander Resources Inc. (the "Company"), which comprise the statements of financial position as at March 31, 2023 and 2022, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate 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 financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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### Victoria

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## Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

We obtained 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 Barry Hartley.



**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
Vancouver, BC

July 31, 2023

**XANDER RESOURCES INC.**

Statements of Financial Position

As at March 31, 2023 and 2022

(Expressed in Canadian dollars)

	Note	As at March 31, 2023	March 31, 2022
<b>ASSETS</b>			
Current assets			
Cash		\$ 995,097	\$ 124,572
Taxes receivable		82,287	13,616
Prepaid expenses		83,993	17,170
Subscription receivable	10	10,500	-
Marketable securities	5	58,000	20,000
<b>Total current assets</b>		<b>1,229,877</b>	<b>175,358</b>
<b>Total assets</b>		<b>\$ 1,229,877</b>	<b>\$ 175,358</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	6	\$ 74,881	\$ 191,272
Due to related parties	7	120,066	146,483
Liability for flow through share premium	8	228,545	-
Liability component of convertible debentures	9	-	9,937
<b>Total liabilities</b>		<b>423,492</b>	<b>347,692</b>
<b>EQUITY</b>			
Share capital	10	7,865,123	4,337,539
Reserves	11	1,019,077	522,916
Deficit		(8,077,815)	(5,032,789)
<b>Total equity</b>		<b>806,385</b>	<b>(172,334)</b>
<b>Total liabilities and equity</b>		<b>\$ 1,229,877</b>	<b>\$ 175,358</b>

Nature of operations and going concern (Note 1)

Commitments and Contingencies (Note 16)

Approved and authorized for issue by the Board of Directors on July 31, 2023:

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Deepak Varshney, Director

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Adrian Smith, Director

Accompanying notes are an integral part of these financial statements.



**XANDER RESOURCES INC.**  
 Statements of Loss and Comprehensive loss  
 For the year ended March 31, 2023 and 2022  
 (Expressed in Canadian dollars)

	Notes	Year ended	
		March 31, 2023	March 31, 2022
<b>Expenses:</b>			
Exploration and evaluation expenditures	4	\$ 1,789,342	\$ 1,170,198
Share-based payments	7, 10	431,364	217,158
Consulting and management fees	7	628,215	393,289
Business promotion		212,030	217,887
Professional fees	7	117,589	56,482
Transfer agent and filing fees		113,834	50,404
Office and miscellaneous		92,156	9,226
Property investigation		3,650	66,932
Travel expense		6,356	-
Loss before other income (expenses)		(3,394,536)	(2,181,576)
Other income (expenses):			
Other income	8	108,962	-
Unrealized (loss) gain on marketable securities	5	38,000	-
Interest expenses	9	(499)	(1,140)
Interest income		233	-
Interest accretion	9	(63)	(447)
Foreign exchange loss		-	(574)
Net and comprehensive loss		\$ (3,247,903)	\$ (2,183,737)
Net loss per share, basic and diluted		\$ (0.04)	\$ (0.08)
Weighted average number of shares outstanding		79,051,221	27,195,291

Accompanying notes are an integral part of these financial statements



**XANDER RESOURCES INC.**  
 Statements of Changes in Equity  
 For the year ended March 31, 2023 and 2022  
 (Expressed in Canadian dollars)

	Share capital			Reserves			Deficit	Total
	Number of shares	Amount	Shares to be issued	Share-based payment reserve	Warrants reserve	Equity		
						component of convertible debentures		
(Note 10)	(Note 11)	(Note 9)						
<b>Balance, March 31, 2021</b>	<b>23,443,206</b>	<b>\$3,167,447</b>	<b>\$ -</b>	<b>\$ 328,095</b>	<b>\$104,478</b>	<b>\$ 901</b>	<b>\$ (2,939,211)</b>	<b>\$ 661,710</b>
Net and comprehensive loss	-	-	-	-	-	-	(2,183,737)	(2,183,737)
Shares issued for Private Placement, net of issuance cost	4,200,000	417,050	-	-	-	-	-	417,050
Subscriptions received for Private Placement, net of issuance cost	-	-	104,655	-	-	-	-	104,655
Shares issued for exploration and evaluation assets	3,247,000	563,330	-	-	-	-	-	563,330
Shares issued for stock options exercised	350,000	85,057	-	(37,557)	-	-	-	47,500
Fair value of stock options expired	-	-	-	(47,095)	-	-	47,095	-
Fair value of stock options cancelled	-	-	-	(43,064)	-	-	43,064	-
Fair value of options vested	-	-	-	217,158	-	-	-	217,158
<b>Balance, March 31, 2022</b>	<b>31,240,206</b>	<b>\$4,232,884</b>	<b>\$ 104,655</b>	<b>\$ 417,537</b>	<b>\$104,478</b>	<b>\$ 901</b>	<b>\$ (5,032,789)</b>	<b>\$ (172,334)</b>
Balance, March 31, 2022	31,240,206	\$4,232,884	\$ 104,655	\$ 417,537	\$104,478	\$ 901	\$ (5,032,789)	\$ (172,334)
Net and comprehensive loss	-	-	-	-	-	-	(3,247,903)	(3,247,903)
Shares issued for Private Placement, net of issuance cost	68,147,472	3,164,114	(104,655)	-	268,575	-	-	3,328,034
Shares issued for exploration and evaluation assets	11,000,000	455,000	-	-	-	-	-	455,000
Shares issued for conversion of debentures	122,247	13,125	-	-	-	(901)	-	12,224
Fair value of warrants expired	-	-	-	-	(13,295)	-	13,295	-
Fair value of stock options expired	-	-	-	(65,435)	-	-	65,435	-
Fair value of stock options cancelled	-	-	-	(124,147)	-	-	124,147	-
Fair value of options vested	-	-	-	431,364	-	-	-	431,364
<b>Balance, March 31, 2023</b>	<b>110,509,925</b>	<b>\$7,865,123</b>	<b>\$ -</b>	<b>\$ 659,319</b>	<b>\$359,758</b>	<b>\$ -</b>	<b>\$ (8,077,815)</b>	<b>\$ 806,385</b>

Accompanying notes are an integral part of these financial statements

**XANDER RESOURCES INC.**

Statements of Cash Flows

For the year ended March 31, 2023 and 2022

(Expressed in Canadian dollars)

	Year ended	
	March 31, 2023	March 31, 2022
Cash Provided By (Used In)		
Operating Activities		
Net and comprehensive loss for the period	\$ (3,247,903)	\$ (2,183,737)
Items not affecting cash:		
Shares issued for mineral property	455,000	563,330
Share-based payments	431,364	217,158
Shares received on option of exploration and evaluation assets	-	(20,000)
Flow-through income	-	-
Interest expenses	361	1,140
Interest accretion	63	447
Option out shares for mineral properties	-	-
Unrealized gain on investment	(38,000)	-
Changes in working capital:		
Increase (decrease) in taxes receivable	(68,671)	9,535
Increase (decrease) in accounts receivable	(10,500)	
(Increase) decrease in prepaid expenses	(66,823)	49,341
(Decrease) increase in accounts payable and accrued liabilities	(114,529)	146,562
(Decrease) increase due to related parties	(26,417)	133,415
Net cash used in operating activities	(2,686,054)	(1,082,809)
Financing Activities		
Proceeds from issuance of common shares, net of share issuance cost	3,556,579	417,050
Proceeds subscriptions received in advance, net of share issuance cost	-	104,655
Proceeds from exercise of options	-	47,500
Net cash provided by financing activities	3,556,579	569,205
Increase (decrease) in cash	870,525	(513,604)
Cash, beginning of the year	124,572	638,176
Cash, end of the year	\$ 995,097	\$ 124,572

Additional cash flow information (Note 13)

Accompanying notes are an integral part of these financial statements



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Xander Resources Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia, Canada on December 9, 2010. The head office, principal address and records office of the Company are located at Suite 1400, 1125 Howe Street, Vancouver, BC V6Z 2K3. The Company's shares are listed on the TSX Venture Exchange (the "Exchange") under the symbol "XND.V", the OTCQB Markets under the symbol XNDRF, and the Frankfurt Stock Exchange under the symbol "1XI".

The Company is engaged in the exploration and development of mineral resources, currently focusing on projects in Quebec. At this time, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through public and private share offerings. It is not known whether the Company's mineral properties contain reserves that are economically recoverable.

These financial statements have been prepared with the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company's ability to meet its obligations and maintain its current operations through the ensuing twelve-month period and thereafter is contingent upon successful completion of additional financing arrangements and ultimately upon the discovery of proven reserves and generating profitable operations.

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company's future capital requirements will depend on many factors, including the costs of exploring and developing its resource properties, operating costs, the current capital market environment and global market conditions. As at March 31, 2023, the Company has a working capital of \$806,385 (March 31, 2022 – working capital deficit of \$172,334) and a cumulative deficit of \$8,077,815 (March 31, 2022 – 5,032,789). For significant expenditures and resource property development, the Company will depend almost exclusively on external capital. Such external capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company's operating commitments and further exploration and development plans. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, and ultimately generate profitable operations in the future. The Company has no assurance that it will be successful in its efforts. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected. 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 financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

### **2. BASIS OF PRESENTATION**

The financial statements were authorized for issue on July 31, 2023, by the directors of the Company.

#### Statement of compliance to International Financial Reporting Standards

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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### Basis of preparation

The Company's financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 14, and are presented in Canadian dollars except where otherwise indicated.

The functional currency of the Company is the Canadian dollar.

### Significant accounting estimates and assumptions

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

Areas requiring a significant degree of estimation relate to the recoverability and measurement of deferred tax asset, and provisions for restoration and environmental obligations. Actual results may differ from current estimates.

### Significant accounting judgments

Information about critical judgments, apart from those involving estimates, in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statement are discussed below:

#### Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding availability for its exploration projects and working capital requirements.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Cash

Cash consist of cash on hand, deposits held at banks.

#### Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

### Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are expensed by property.

Any option payments received by the Company from third parties or tax credits refunded to the Company are recognised as income in statement of loss and comprehensive loss.

### Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. These changes are recorded directly to the related asset with a corresponding entry to the provision.

The increase in the restoration provision due to the passage of time is recognized as interest expense. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

### Flow-through shares

On the issuance of flow-through shares, any premium received in excess of the market price of the Company's common shares is initially recorded as a liability ("flow-through tax liability"). Provided that the Company has renounced the related expenditures, or that there is a reasonable expectation that it will do so, the flow-through tax liability is reduced on a pro-rata basis as the expenditures are incurred. If such expenditures are capitalized, a deferred tax liability is recognized. To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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### Income (loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the income (loss) attributable to common shareholders equals the reported income (loss) attributable to owners of the Company. Diluted income (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income (loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. As the Company has reported losses for the years presented, the effect of stock options and warrants is anti-dilutive; therefore, basic loss per share equals diluted loss per share.

### Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payments reserve. The fair value of options is determined using a Black–Scholes Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

### Income taxes

#### *Current income tax:*

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, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. 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.

#### *Deferred income tax:*

Deferred income tax is provided using the asset and liability 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 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.



## XANDER RESOURCES INC.

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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### Financial instruments

#### i) 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 income (loss) ("FVTOCI") 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 are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial 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.

Cash is classified as FVTPL. Accounts payable, due to related parties and convertible debentures are classified as amortized cost.

#### ii) Measurement

##### Financial assets at FVTOCI

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

##### Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

##### Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of net income (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 the statements of net income (loss) in the period in which they arise.

#### iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance 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 credit risk of the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net income (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.



## XANDER RESOURCES INC.

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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### iv) Derecognition

#### Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

#### Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of net income (loss).

#### Foreign currency translation

The functional currency of the Company is Canadian Dollar, which is the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are translated at rates in effect at the time of the transaction. Monetary assets and liabilities are translated at period end rates. Gains and losses are included in profit and loss.

#### 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 most reliably measurable component based on fair value and then the residual value, if any, to the less reliably measurable component.

#### Leases

Effective April 1, 2019, the Company adopted IFRS 16, "Leases". This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The Company had no leases that qualified under IFRS 16 as at March 31, 2023 and 2022.

#### Accounting standards issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.



**XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

**4. EXPLORATION AND EVALUATION EXPENDITURES**

As of March 31, 2023, and March 31, 2022, the Company has incurred the following exploration and evaluation expenditures:

	Senneville Properties	Blue Ribbon Property	Bachelor North Property	CNC Properties	Total
<b>Balance as at March 31, 2021</b>	<b>\$ 415,442</b>	<b>\$ 220,997</b>	<b>\$ 17,818</b>	<b>\$ -</b>	<b>\$ 654,257</b>
Acquisition cost:					
Shares issued	348,600	-	88,730	126,000	563,330
Cash payment	143,000	-	-	-	143,000
	491,600	-	88,730	126,000	706,330
Exploration and evaluation expenditures:					
Option payment received	(20,000)	-	-	-	(20,000)
Consulting and labour	392,269	255	-	63,125	455,649
Staking and permits	10,152	1,178	-	700	12,030
Travel	13,025	-	-	2,293	15,318
Supplies and other	871	-	-	-	871
	396,317	1,433	-	66,118	463,868
<b>Balance as at March 31, 2022</b>	<b>1,303,359</b>	<b>222,430</b>	<b>106,548</b>	<b>192,118</b>	<b>1,824,455</b>
Acquisition cost:					
Shares issued	-	-	-	455,000	455,000
Cash payment	-	-	-	150,000	150,000
	-	-	-	605,000	605,000
Exploration and evaluation expenditures:					
Consulting and labour	45,669	650	-	1,129,909	1,176,228
Staking and permits	761	-	-	-	761
Travel	2,321	-	-	3,554	5,875
Supplies and other	1,249	-	-	229	1,478
	50,000	650	-	1,133,692	1,184,342
<b>Balance as at March 31, 2023</b>	<b>\$ 1,353,359</b>	<b>\$ 223,080</b>	<b>\$ 106,548</b>	<b>\$ 1,930,810</b>	<b>\$ 3,613,797</b>



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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### **Val-d'Or Senneville West Property (Block #1)**

On May 18, 2020, the Company entered into an agreement with North American Exploration Ltd. to acquire a 100% interest in the Val-d'Or Senneville West Property. Pursuant to the agreement, the Company will make a total cash payment of \$89,600, issue 1,510,000 common shares of the Company and incur \$625,000 of exploration expenditure in three years as follows:

- i. Issue 510,000 common shares (issued) of the Company and pay \$9,600 cash (paid) on or before the closing date (May 18, 2020);
- ii. Pay \$8,000 cash (paid) within 90 days of the closing date (August 16, 2020);
- iii. Issue 660,000 common shares of the Company (issued on October 26, 2021 - Note 10) and pay \$24,000 cash (paid on October 22, 2021) on the date that is 18 months from the closing date (November 17, 2021);
- iv. Issue 340,000 common shares of the Company (issued on October 26, 2021 - Note 10) and pay \$48,000 cash (paid on October 22, 2021) on the date that is 30 months from the closing date (November 17, 2022);

The Company has acquired 100% interest in the property as all obligations under the option agreement have been met, subject to the grant of Net Smelter Royalty of 2% to the optionor.

On July 6, 2021, the Company staked additional 39 claims contiguous to its Senneville West property.

On November 23, 2021, the Company entered into an agreement with QL Minerals Inc. ("QL minerals") to sell 100% of the rights, title and interest to and in 39 additional mineral claims located in the Val-d'Or Senneville West Property (Block #1). Pursuant to the agreement, QL minerals issued 400,000 common shares for an aggregate consideration of \$20,000 (Note 5).

### **Val-d'Or Senneville East Property (Block #2)**

On May 18, 2020, the Company entered into an agreement with Silverwater Capital Corp. to acquire a 100% interest in the Val-d'Or Senneville East Property. Pursuant to the agreement, the Company will make a total cash payment of \$45,400, issue 1,090,000 common shares of the Company and incur \$625,000 of exploration expenditure in three years as follows:

- i. Issue 450,000 common shares (issued) of the Company and pay \$5,400 cash (paid) on or before the closing date (May 18, 2020);
- ii. Pay \$4,000 cash (paid) within 90 days of the closing date (August 18, 2020);
- iii. Issue 410,000 common shares of the Company (issued on October 26, 2021 - Note 10) and pay \$12,000 cash (paid on October 22, 2021) on the date that is 18 months from the closing date (November 17, 2021);
- iv. Issue 230,000 common shares of the Company (issued on October 26, 2021 - Note 10) and pay \$24,000 cash (paid on October 22, 2021) on the date that is 30 months from the closing date (November 17, 2022);

The Company has acquired 100% interest in the property as all obligations under the option agreement have been met, subject to the grant of Net Smelter Royalty of 2% to the optionor.

On April 23, 2021, the Company entered into an agreement to acquire a 100% interest in 20 mineral claims located contiguous to the Senneville East Property (Block #2) in exchange for \$1,340 cash (paid), 400,000 common shares (issued on May 18, 2021 – Note 10), and a 2% Net Smelter Royalty.

The Company is required to incur the following exploration and evaluation expenditure together for Block #1 and Block #2:



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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- i. Incur \$175,000 of exploration expenditure on or before 18 months of the closing date (November 17, 2021 - incurred); and
- ii. Incur \$450,000 of exploration expenditure on or before 36 months of the closing date (May 17, 2023)

Pursuant to the cash payment on October 22, 2021, and the share issuance on October 26, 2021, North American Exploration Ltd and Silverwater Capital Corp. agreed to relieve the Company of the obligation to spend \$625,000 in exploration expenditure in exchange for the above cash and shares. Accordingly, the Company has fulfilled all the obligations for the Val D'Or #1(Senneville West) property and Val D'Or #2 (Senneville East) property and the title of the properties has been transferred to the Company's name.

The Company has further agreed that in the event of abandonment of any of the claims, the Company will provide North American Exploration Ltd and Silverwater Capital Corp. six months notice of the intended abandonment, and in the event of a third party sale of the claims that North American Exploration Ltd. and Silverwater Capital Corp. will be entitled to receive 20% of the sale proceeds, such percentage reducing to 15% if the Company spends \$250,000 in qualified exploration expenditures on the property, and to 10% by the Company spending \$500,000 in qualified exploration expenditures on the property. The claims remain subject to a 2% NSR. The company has spent \$293,774 in qualified exploration expenditures as of March 31, 2023.

### **Val-d'Or Senneville South Property**

On May 27, 2020, the Company entered into an agreement with Terrance Coyle / 9093-6725 Quebec Inc. to acquire a 100% interest in the Val-d'Or Senneville South Property. Pursuant to the agreement, the Company will make a total cash payment of \$40,000, issue 165,000 common shares of the Company and incur \$75,000 of exploration expenditures in three years as follows:

- i. Issue 25,000 common shares (issued) of the Company and pay \$5,000 cash (paid) on or before the closing date (May 27, 2020);
- ii. Issue 60,000 common shares of the Company (issued on October 18, 2021 - Note 10) and pay \$15,000 cash (paid) on the date that is 18 months from the closing date (November 17, 2021);
- iii. Issue 80,000 common shares of the Company (issued on October 18, 2021 - Note 10) and pay \$20,000 cash (paid) on the date that is 30 months from the closing date (November 17, 2022);
- iv. Incur \$40,000 of exploration expenditure (incurred) on or before 18 months of the closing date (November 27, 2021); and
- v. Incur \$35,000 of exploration expenditure (incurred) on or before 36 months of the closing date (May 27, 2023)

The Company has acquired 100% interest in the property as all obligations under the option agreement have been met, subject to the grant of Net Smelter Royalty of 2% to the optionor.

### **Blue Ribbon Property**

On May 15, 2020, the Company entered into an agreement with Silverwater Capital Corp. to acquire 100% interest in the Blue Ribbon Property. Pursuant to the agreement, the Company issued 200,000 common shares of the Company and paid cash of \$2,652. The property is subject to a 2% Net Smelter Royalty upon commencement of commercial production and the Company will have the right to purchase 0.50% of the Net Smelter Royalty at any time for the aggregate amount of \$500,000. The Company has met all the conditions per option agreement and the title of the property has been transferred to the Company.

In October 2021, the Company staked an additional 14 claims contiguous to its Blue Ribbon Property.



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

---

Subsequent to the year ended, the Blue Ribbon Property claims expired and the Company decided not to proceed with this property.

### **Bachelor North Property**

On January 8, 2021, the Company entered into an agreement with Silverwater Capital Corp. to acquire a 100% interest in the Bachelor North Property. Pursuant to the agreement, the Company will issue 1,501,000 common shares and pay \$2,319 in one year as follows:

- i. Issue 100,000 common shares (issued) of the Company and pay \$2,319 cash (paid) on or before the date of agreement (January 8, 2021);
- ii. Issue 467,000 common shares (issued on May 3, 2021 - Note 10) of the Company on or before the date that is three months after the Closing (April 8, 2021);
- iii. Issue 467,000 common shares of the Company on or before the date that is six months after the Closing (July 8, 2021); and
- iv. Issue 467,000 common shares of the Company on or before the date that is twelve months after the Closing (January 8, 2022); This term was not materialized pursuant to the announcement made in August 2021 stated below.

On August 20, 2021, the Company decided not to proceed with the option agreement for Bachelor North Property. Therefore, the company is not pursuing the property and no further exploration activities will be conducted on this property.

### **CNC Timmins Property**

On October 19, 2021, the Company entered into an agreement with North American Exploration Ltd and Jonathon Deluce to acquire 100% interest in CNC Timmins property. Pursuant to the agreement, the Company will issue 3,500,000 common shares and pay \$150,000 in cash in two years as follows:

- i. Issued 600,000 common shares of the Company (issued on November 3, 2021 – Note 10);
- ii. Cash payment of \$50,000 (paid) payable within 90 days of closing date (January 17, 2022);
- iii. Issue 1,000,000 common shares (issued on April 29, 2022 – Note 10) of the Company within 90 days of closing date (January 17, 2022);
- iv. Issue 1,000,000 common shares of the Company (issued on April 29, 2022 and November 10, 2022 – Note 10) and cash payment of \$50,000 (paid) on or before one year after the closing date (October 19, 2022);
- v. Issue 900,000 common shares of the Company and cash payment of \$50,000 on or before two years after the closing date (October 19, 2023).

The Company is required to incur a total of \$1,250,000 exploration and evaluation expenditures on the property within two years as follows:

- i. Incur \$120,000 in exploration and expenditure (incurred) within six months after the Closing (April 19, 2022);
- ii. Incur \$380,000 in exploration and evaluation (incurred) and complete 1,500 meters of diamond drilling within one year after the closing date (October 19, 2022); On December 22, 2022, the Company announced that a total of 2,171 meters had been drilled since the start of its program on November 29, 2022.;
- iii. \$750,000 and 1,500 meters of diamond drilling within two years after the closing date (October 19, 2023).

The Company will have acquired a 100% interest in the property once conditions under the option agreement have been met, subject to the grant of Net Smelter Royalty of 3% to the optionor.



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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Pursuant to the agreement, the Company has agreed to pay North American Exploration Ltd and Jonathon Deluce 20% of the proceeds received on the sale of the property to a third party once the option is complete and 100% ownership is obtained.

On October 13, 2022, the Company entered into an agreement with North American Exploration Ltd. and Silverwater Capital Corp. (the 'Optionors') to acquire 100% interest west to the CNC Timmins Property ('CNC West'). Pursuant to the agreement, the Company will issue 9,000,000 common shares and pay \$450,000 in cash as follows:

- i. Pay \$50,000 cash (paid) upon the execution of the agreement (October 13, 2022);
- ii. Issue 9,000,000 shares (issued on November 17, 2022 – Note 10) within five days of TSX-V approval (October 26, 2022);
- iii. Pay \$100,000 on or before 6 months of the execution of this agreement, in cash or shares at the election of the Company (due by April 13, 2023);
- iv. Pay \$100,000 on or before 12 months of the execution of this agreement, in cash or shares at the election of the Company (due by October 13, 2023);
- v. Pay \$100,000 on or before 18 months of the execution of this agreement, in cash or shares at the election of the Company (due by April 13, 2024);
- vi. Pay \$100,000 on or before 24 months of the execution of this agreement, in cash or shares at the election of the Company (due by October 13, 2024);

The Company is also required to incur \$500,000 of qualified exploration expenditures including 1500 meters of diamond drilling on CNC West within two years of the execution of the agreement, of which not less than \$50,000 will be incurred within one year. Out of this \$500,000 expenditure, \$400,000 expenditure obligation can be satisfied by payment in cash or stock at the election of the Company.

The Company will have acquired a 100% interest in the property once the conditions under the option agreement have been met, subject to the grant of Net Smelter Royalty of 3% to the Optionors.

The Company has the option to buy back one-third of the NSR Royalty with a cash payment of \$1,000,000. Pursuant to the agreement, the Company has agreed to pay the Optionors 20% of the proceeds received on the sale of the property to a third party once the option is complete and 100% ownership is obtained.

### **5. MARKETABLE SECURITIES**

Pursuant to the agreement entered November 23, 2021, QL minerals issued 400,000 common shares with a fair market value of \$20,000 (Note 4).

On July 28, 2022, First Lithium Minerals Corp. closed a reverse takeover ("RTO") of PetroCorp Group Inc. by First Lithium Minerals Inc. and QL Minerals Inc. In connection with the RTO transaction, all of the outstanding shares of First Lithium Minerals Inc. and QL Minerals Inc. were exchanged for shares of PetroCorp Group Inc., and PetroCorp Group Inc. changed its name to First Lithium Minerals Inc. Hence the Company received 400,000 shares from First Lithium Minerals Inc. as replacement for the 400,000 shares previously received from QL Minerals Inc.

As at March 31, 2023, the shares are valued at \$58,000 (March 31, 2022 - \$20,000). The gain in fair value of the shares of \$38,000 as recognized in the statement of loss and comprehensive loss.



## XANDER RESOURCES INC.

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2023	March 31, 2022
Accounts payable	\$ 48,882	\$ 126,908
Accrued liabilities	25,999	64,364
	<b>\$ 74,881</b>	<b>\$ 191,272</b>

### 7. RELATED PARTY TRANSACTIONS

The Company's related parties consist of its key management personnel, including its directors and officers.

During the normal course of business, the Company enters into transactions with its related parties that are considered to be arm's length transactions and made at normal market prices and on normal commercial terms.

The amounts due to related parties are due to directors and officers of the Company. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

#### **Related party balances**

As at March 31, 2023, \$120,066 (March 31, 2022 - \$146,483) was due to related parties as follows:

	March 31, 2023	March 31, 2022
CEO	\$ 66	\$ 56,755
CFO	-	16,800
Former Corporate Secretary	60,000	12,067
Former CEO	60,000	15,861
Party related to CEO of the Company	-	45,000
	<b>\$ 120,066</b>	<b>\$ 146,483</b>

During the year ended March 31, 2023 and 2022, the Company incurred the following amounts through transactions with the directors and officers of the Company:

	March 31, 2023	March 31, 2022
Management fees	\$ 316,000	\$ 204,500
Accounting fees	47,592	25,000
Consulting contract termination fees	120,000	-
	<b>\$ 483,592</b>	<b>\$ 229,500</b>



**XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

Consulting and management fees consist of the following:

	March 31, 2023	March 31, 2022
Company controlled by the CEO	\$ 177,500	\$ 71,000
CFO	4,000	-
Corporate Secretary	20,000	-
Former Corporate Secretary	45,000	51,000
Former CFO	24,500	31,500
Former CEO	45,000	51,000
	<b>\$ 316,000</b>	<b>\$ 204,500</b>

During the year ended March 31, 2023, the Company paid \$47,592 (2022 – \$25,000) in accounting fees to the former CFO.

Share-based compensation consists of the following:

	March 31, 2023		March 31, 2022	
	Number of options	Share-based payment - \$ -	Number of options	Share-based payment - \$ -
CEO	1,800,000	91,073	420,000	37,955
Directors	2,000,000	92,216	400,000	44,603
Former CEO	700,000	44,394	100,000	12,521
Former Directors	-	-	35,000	3,937
	<b>4,500,000</b>	<b>227,683</b>	<b>955,000</b>	<b>99,016</b>

**Related party transactions and key management compensation**

On May 3, 2022, the Company granted 4,490,377 stock options to certain directors, officers and consultants of the Company. Out of this grant, 2,500,000 stock options were granted to the CEO, directors and former director of the Company and recorded \$158,500 as share-based compensation expense (Note 10).

On December 22, 2022, the Company granted 3,000,000 stock options to certain directors, officers, and consultants of the Company. Out of this grant, 2,000,000 stock options were granted to the CEO and directors of the Company and \$69,133 was recorded as share-based compensation expense (Note 10).

During the year ended March 31, 2022, the Company granted 955,000 stock options to certain directors and officers of the Company and recorded \$99,016 as share-based compensation expense (Note 10).

**8. FLOW-THROUGH PREMIUM LIABILITY**

As at March 31, 2023, the flow-through premium liability outstanding relating to flow-through shares was \$228,545 (March 31, 2022 – \$Nil). The Company is required to spend \$577,743 in eligible exploration expenditures by December 31, 2023.

On April 29, 2022, the Company issued 6,500,000 flow-through units for gross proceeds of \$520,000 (Note 10). There was no flow-through share premium recorded on the statement of financial position in relation to these flow-through shares as they were issued at market price.



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

---

On December 22, 2022, the Company issued 11,427,273 Quebec flow-through shares for gross proceeds of \$628,500 (Note 10) and recognized a deferred flow-through premium of \$228,545, as the difference between the fair value of common shares and the amount the investors paid for the shares.

On December 31, 2022, the Company issued an additional 17,602,143 flow-through share for gross proceeds of \$616,075 (Note 10). There was no flow-through share premium recorded on the statement of financial position in relation to these flow-through shares as they were issued at market price.

During the year ended March 31, 2023, Revenue Quebec assessed a refundable mining tax credit of \$108,962 for the flow-through money spent on exploration activities in the province of Quebec.

### **9. CONVERTIBLE DEBENTURES**

On May 20, 2020, the Company closed a non-brokered private placement of 10% unsecured convertible debentures for total gross proceeds of up to \$75,000 at a price of \$1,000 each. The Convertible Debentures bear interest at 10% per annum, from the date of issuance, payable in arrears annually until the earlier of the maturity date, two years from the issuance date, or any conversion thereof. Each Convertible Debenture is convertible into one common share at a price of \$0.05 per share, at any time prior to the maturity date. At the time of the interest payment, such interest may be paid, at the option of the Company, in cash or by the issuance of shares at the price equal to the market price.

The Company may prepay, in cash, any or all of the Convertible Debentures at any time prior to the maturity date upon, not less than thirty business days prior written notice, for an amount equal to the principal amount of the Convertible Debentures then outstanding, plus any accrued but unpaid interest.

The liability component of these debentures was calculated at \$68,245, at the date of issuance, as the present value of the principal and interest, at a rate approximating the interest rate that would have been applicable to non-convertible debt at the date the note was issued. The liability component was recorded at amortized cost and is accreted to the principal amount over the term of the convertible note by charges to accretion expense using an effective interest rate of 15%.

The conversion component of these debentures was calculated at \$6,755, as the residual value of the gross proceeds of the Convertible Debentures.

During the year ended March 31, 2021, the Company issued 1,333,443 common shares for conversion of \$67,831 in Convertible Debentures. The fair value of the conversion component of the debentures exercised was \$5,854 resulting in a transfer of \$5,854 from reserves to share capital.

On May 20, 2022, the convertible debentures matured and the outstanding balance of \$10,000 including the interest of \$2,122 as of period end became due and demandable. The debentures were converted to 122,247 common shares (Note 10).

On conversion, the carrying value of the liability component was \$nil as at March 31, 2023 (March 31, 2022 – \$9,937). The carrying value of the conversion component amounts to \$nil as at March 31, 2023 (March 31, 2021 – \$901). During the year ended March 31, 2023, the Company recorded accretion expense of \$63 (2022 – \$447) and interest expense of \$361 (2022 – \$1,140) in relation to the convertible debentures.



## XANDER RESOURCES INC.

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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### 10. SHARE CAPITAL

#### Authorized:

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

#### Issued:

As at March 31, 2023, there were 110,509,925 (March 31, 2022 – 31,240,206) issued and fully paid common shares outstanding.

#### Transactions during the year ended March 31, 2023

On April 29, 2022, the Company issued 1,500,000 common shares of the Company at a price of \$0.08 per share with respect to CNC Timmins Property (Note 4). On the same date, the Company closed a non-brokered private placement issuing an aggregate of 30,903,770 units of the Company at a price of \$0.07 per unit and received gross proceeds of \$2,163,264 off of which \$104,645 was received in advance during year end March 31, 2022. The Company also issued 6,500,000 flow-through (FT) units at \$0.08 per FT Unit for gross proceeds of \$520,000 (Note 8). Each unit consists of one common share and one transferable share purchase warrant of the Company exercisable at \$0.10 per share for a period of 3 years from the date of closing of the Private Placement.

In connection with the April 29, 2022 private placement, the Company paid a finder's fees of \$207,914 and other share issuance fees of \$34,379 in cash and issued a total of 269,945 finder's warrants and 2,911,000 broker's warrants.

Each finder's warrant is exercisable into common shares of the Company at prices of \$0.07 per share for a period of three years. Each broker's warrant is exercisable to purchase one unit (a "Broker Unit") at an exercise price of \$0.07 per Broker Unit until the expiry date. Each Broker Unit consists of one share and one non-transferable warrant exercisable to purchase one share of the Company at \$0.10 per share for a period of three years.

On August 10, 2022, the Company issued shares pursuant to the conversion of Convertible Debentures issued on May 20, 2020 and matured on May 20, 2022. An aggregate of 122,247 common shares were issued at the price of \$0.10 per share (Note 9).

On November 10, 2022, the Company issued 500,000 common shares of the Company at a price of \$0.04 per share with respect to CNC Timmins property option agreement dated October 19, 2021. (Note 4).

On November 17, 2022, the Company issued 9,000,000 common shares of the Company at a price of \$0.035 per share with respect to the acquisition of 100% interest in certain mineral claims located in Timmins, Ontario (Note 4).

On December 22, 2022, the Company issued 17,602,143 flow-through units at a price of \$0.035 per flow-through unit for aggregate proceeds of \$616,075 (Note 8). Each flow-through unit consists of one common share of the Company and one transferable common share purchase warrant. Each of the common share purchase warrants is exercisable into one common share of the Company at a price of \$0.07 per common share for two years from the date of closing.

On December 22, 2022, the Company issued 11,427,273 Quebec flow-through shares at a price of \$0.055 per flow-through share for aggregate proceeds of \$628,500 (Note 8).



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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On December 22, 2022, the Company issued 1,714,286 units at a price of \$0.035 per private placement unit for aggregate proceeds of \$60,000. Each unit consists of one common share of the Company and one transferable common share purchase warrant. Each of the common share purchase warrants is exercisable into one common share of the Company at a price of \$0.07 per common share for three years from the date of closing.

In connection with the December 22, 2022 private placements above, the Company paid \$84,311 cash, issued 1,252,309 finder's warrants, and 713,714 broker warrants. 332,400 finder's warrant entitles the holder to purchase one common share of the Company at a price of \$0.07 per share for a period of two years from the closing date. 919,909 finder's warrant entitles the holder to purchase one common share of the Company at a price of \$0.07 per share for a period of three years from the closing date. Broker's warrants are exercisable into broker units at a price of \$0.035 per broker unit for a period of two years from the date of closing. The broker units consist of one share on common share purchase warrant. The common share purchase warrant is exercisable into a common share of the Company at \$0.07 per share for a period of two years from the date of closing.

### Transactions during the year ended March 31, 2022

On November 3, 2021, the Company issued 600,000 common shares of the Company at a price of \$0.21 per share with respect to CNC Timmins Property (Note 4).

On October 26, 2021, the Company issued 1,640,000 common shares of the Company at a price of \$0.155 per share to North American Exploration Ltd (1,000,000 shares) and Silverwater Capital Corp. (640,000 shares) with respect to the Val D'Or #1 (Senneville West) property and Val D'Or #2 (Senneville East) property respectively (Note 4).

On October 18, 2021, the Company issued 140,000 common shares at a price of \$0.16 per share to Terrance Coyle and 9093-6725 Quebec Inc with respect to the Val D'Or #3 (Senneville South) property (Note 4).

On October 13, 2021, the Company closed a non-brokered private placement issuing an aggregate of 4,200,000 units of the Company at a price of \$0.10 per unit and received gross proceeds of \$420,000. Each unit consists of one common share and one transferable share purchase warrant of the Company exercisable at \$0.20 per share for a period of 2 years from the date of closing of the Private Placement. In connection with the private placement, the Company paid \$2,950 in cash as finder's fees.

On May 18, 2021, the Company issued 400,000 common shares at a fair value of \$72,000 (\$0.18 per share), pursuant to its property option agreement on the additional claims acquired located adjacent to the Senneville East Property (Note 4).

On May 3, 2021, the Company issued 467,000 common shares at a fair value of \$88,730 (\$0.19 per share), pursuant to its property option agreement on the Bachelor North property (Note 4).

On March 14, 2021, and April 14, 2021, pursuant to the exercise of stock option, the Company issued 50,000 and 300,000 common shares for aggregate proceeds of \$2,500 and \$45,000, respectively. The fair value of options exercised amounted to \$1,868 and \$35,689.

### **Share Options**

The Company adopted a share option plan (the "Share Option Plan") under which it may grant options to employees, officers, directors, or consultants for up to 10% of the issued and outstanding common shares. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee in a 12-month period is limited to 5% of the issued shares of the Company.



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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Under the plan, the exercise price of an option may not be less than the discounted market price. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors. For share options granted to employees, directors, and consultants, the Company recognizes as an expense, the estimated fair value of the share options granted. The fair value of each share option granted was estimated on the date of grant using the Black-Scholes option-pricing model.

### Transactions during the year ended March 31, 2023

On April 22, 2022, the Company granted 319,021 incentive stock options to certain consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.065 for a period of 5 years. The options vest immediately. The resulting fair value of \$17,398 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 124.33%; a risk-free interest rate of 0.86%, and an expected average life of 5 years.

On May 3, 2022, the Company granted 4,490,377 stock options to certain directors, officers and consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.07 for a period of 5 years. The options vest immediately. The resulting fair value of \$284,778 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 124.41%; a risk-free interest rate of 1.07%, and an expected average life of 5 years.

On May 9, 2022, the Company granted 400,000 incentive stock options to certain consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.07 for a period of 5 years. The options vest immediately. The resulting fair value of \$23,548 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 124.57%; a risk-free interest rate of 1.16%, and an expected average life of 5 years.

On July 20, 2022, the Company granted 100,000 incentive stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.06 for a period of 2 years. The options vest immediately. The resulting fair value of \$1,940 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130%; a risk-free interest rate of 3.76%, and an expected average life of 2 years.

On December 22, 2022, the Company granted 3,000,000 incentive stock options to certain officers, directors and consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.04 for a period of 5 years. The options vest immediately. The resulting fair value of \$103,700 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130%; a risk-free interest rate of 3.15%, and an expected average life of 5 years.

During the year ended March 31, 2023, 850,000 of the outstanding stock options expired unexercised and 675,000 of the outstanding options were cancelled. The corresponding amount of \$189,582 was transferred from share-based payment reserve to deficit.

### Transactions during the year ended March 31, 2022

On December 1, 2021, the Company granted 10,000 stock options to a former director of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.14 for a period of 5 years. The options vest immediately. The resulting fair value of \$807 was estimated using the



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

---

Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 145.53%; a risk-free interest rate of 0.06%, and an expected average life of 5 years.

On November 26, 2021, the Company granted 50,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.135 for a period of 2 years. The options vest immediately. The resulting fair value of \$5,134 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 145.70%; a risk-free interest rate of 0.080%, and an expected average life of 2 year.

On November 4, 2021, the Company granted 69,021 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.195 for a period of 1 years. The options vest immediately. The resulting fair value of \$6,527 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130.15%; a risk-free interest rate of 0.06%, and an expected average life of 1 year.

On October 29, 2021, the Company granted 100,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.155 for a period of 1 year. The options vest immediately. The resulting fair value of \$9,818 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130.12%; a risk-free interest rate of 0.26%, and an expected average life of 1 year.

On October 22, 2021, the Company granted 50,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.17 for a period of 1 year. The options vest immediately. The resulting fair value of \$4,118 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130%; a risk-free interest rate of 0.06%, and an expected average life of 1 year.

On October 14, 2021, the Company granted 275,000 stock options to certain consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.135 for a period of 5 years. The options vest immediately. The resulting fair value of \$30,519 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 120.32%; a risk-free interest rate of 0.14%, and an expected average life of 5 years.

On October 13, 2021, the Company granted 470,000 incentive stock options to certain directors, officers and consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.13 for a period of 5 years. The options vest immediately. The resulting fair value of \$58,848 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 120.27%; a risk-free interest rate of 0.2%, and an expected average life of 5 years.

On October 1, 2021, the Company granted 200,000 stock options to certain consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.115. A total of 150,000 stock options are exercisable for a period of 5 years ending October 1, 2026, and 50,000 stock options are exercisable for a period of 2 years ending October 1, 2023. All the stock options vest immediately. The resulting fair value of \$16,188 and \$4,073 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 119.42%; a risk-free interest rate of 0.22%, and an expected average life of 5 years and 2 years respectively.

On September 15, 2021, the Company granted 150,000 stock options to the Director of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.13 for a period of 5 years September 15, 2026. The options vest immediately. The resulting fair value of \$15,894 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend

**XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

yield of 0%; expected volatility of 118.51%; a risk-free interest rate of 0.03%, and an expected average life of 5 years.

On July 12, 2021, the Company granted 300,000 stock options to the CEO of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.12 for a period of 2 years ending July 12, 2023. The options vest immediately. The resulting fair value of \$22,931 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 128.50 %; a risk-free interest rate of 0.140%, and an expected average life of 2 years.

On June 1, 2021, the Company granted 100,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.17 for a period of 1 year ending June 1, 2022. The options vested immediately. The resulting fair value of \$8,833 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 141%; a risk-free interest rate of 0.22%, and an expected average life of 1 year.

On April 14, 2021, the Company granted 590,000 stock options to the consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.155 for a period of 6 months ending on October 14, 2021. The options vested immediately. The resulting fair value of \$33,468 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 109%; a risk-free interest rate of 0.28%, and an expected average life of 6 months.

During the year ended March 31, 2022, 590,000 of the outstanding stock options expired unexercised and 594,021 of the outstanding options were cancelled. The corresponding amount of \$90,159 was transferred from share-based payment reserve to deficit.

	<b>Options outstanding</b>	<b>Weighted average exercise price</b>	<b>Weighted average years to expiry</b>
<b>Balance, March 31, 2021</b>	<b>1,975,000</b>	<b>\$ 0.15</b>	<b>3.75</b>
Options granted	2,364,021	0.15	2.14
Options exercised	(350,000)	0.14	4.61
Options cancelled	(594,021)	0.14	0.00
Options expired	(590,000)	0.15	0.00
<b>Balance, March 31, 2022</b>	<b>2,805,000</b>	<b>\$ 0.14</b>	<b>2.91</b>
Options granted	8,309,398	\$ 0.05	4.93
Options cancelled	(675,000)	1.99	0.00
Options expired	(850,000)	0.79	0.00
<b>Balance, March 31, 2023</b>	<b>9,589,398</b>	<b>\$ 0.03</b>	<b>2.54</b>

Details of options outstanding as at March 31, 2023 are as follows:



## XANDER RESOURCES INC.

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

Outstanding and exercisable	Weighted average exercise price	Expiry date	Weighted average contractual life in years
125,000	0.00	May 4, 2025	0.03
75,000	0.00	November 23, 2025	0.02
200,000	0.00	December 29, 2025	0.06
300,000	0.00	July 12, 2023	0.01
150,000	0.00	September 15, 2026	0.05
50,000	0.00	October 1, 2023	0.00
150,000	0.00	October 1, 2026	0.05
220,000	0.00	October 13, 2026	0.08
10,000	0.00	December 1, 2026	0.00
319,021	0.00	April 22, 2027	0.14
4,490,377	0.03	May 3, 2027	1.92
400,000	0.00	May 9, 2027	0.17
100,000	0.00	July 20, 2024	0.01
3,000,000	0.01	December 22, 2027	1.48
9,589,398	0.03		2.54

### Warrants

#### Transactions during the year ended March 31, 2023

On April 29, 2022, the Company granted 37,403,770 share warrants as a part of the units issued in the non-brokered private placement. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.10 for a period of three years.

The Company also granted 2,911,000 and 269,945 broker and finder's warrants with respect to the above-mentioned private placement with an exercise price of \$0.07 and \$0.10 respectively. These finder's warrants are exercisable for a period of three years. The estimated fair value of the warrants was \$212,330. The warrants were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 0.93%; expected life - 3 years; expected volatility - 155.96%; forfeiture rate - Nil and expected dividends - Nil.

On December 22, 2022, the Company granted 1,714,285 share warrants as a part of the non-flow through units issued in the brokered private placement. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.07 for a period of three years. The Company granted 17,602,143 share warrants as a part of the flow through units issued in the brokered private placement. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.07 for a period of two years.

The Company also granted 1,252,309 finder's warrants, and 713,714 broker warrants as a part of the units issued in the brokered private placement. 332,400 finder's warrant for the flow through units entitles the holder to purchase one common share of the Company at a price of \$0.07 per share for a period of two years from the closing date. The estimated fair value of the warrants was \$8,332. The warrants were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 3.82%; expected life - 2 years; expected volatility - 147%; forfeiture rate - Nil and expected dividends - Nil. 919,909 finder's warrant from the flow-through shares entitles the holder to purchase one common



## XANDER RESOURCES INC.

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

share of the Company at a price of \$0.07 per share for a period of three years from the closing date. The estimated fair value of the warrants was \$26,989. The warrants were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate – 3.57%; expected life – 3 years; expected volatility – 143%; forfeiture rate – Nil and expected dividends – Nil. Broker's warrants are exercisable into broker units at a price of \$0.035 per broker unit for a period of two years from the date of closing. 713,714 broker units consist of one share on common share purchase warrant. The common share purchase warrant is exercisable into a common share of the Company at \$0.07 per share for a period of two years from the date of closing. The estimated fair value of the warrants was \$20,924. The warrants were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate – 3.82%; expected life – 2 years; expected volatility – 147%; forfeiture rate – Nil and expected dividends – Nil.

### Transactions during the year ended March 31, 2022

During the year ended March 31, 2022, the Company issued 4,200,000 share warrants exercisable at \$0.20 per share for a period of 2 years and 204,750 of the outstanding share warrants expired unexercised.

As at March 31, 2023, the Company had 69,615,056 share warrants outstanding (March 31, 2022 – 11,861,801). A summary of changes in outstanding warrants is as follows:

	Warrants outstanding	Weighted Average Exercise Price	Weighted Average Years to Expiry
<b>Balance, March 31, 2021</b>	<b>7,866,551</b>	<b>\$ 0.26</b>	<b>1.15</b>
Warrants issued	4,200,000	0.20	1.54
Warrants expired	(204,750)	0.25	0.00
<b>Balance, March 31, 2022</b>	<b>11,861,801</b>	<b>\$ 0.24</b>	<b>1.01</b>
Warrants issued	61,867,166	0.06	1.37
Warrants expired	(4,113,911)	0.24	0.00
<b>Balance, March 31, 2023</b>	<b>69,615,056</b>	<b>\$ 0.09</b>	<b>1.86</b>

The Company announced on August 5, 2022, the 1-year extension of warrants that will originally set to expire on August 23, 2022, and December 22, 2022.

Details of warrants outstanding as at March 31, 2023, are as follows:

Outstanding and exercisable	Weighted average exercise price	Expiry date	Weighted average contractual life in years
784,000	0.00	August 24, 2023	0.00
2,000,000	0.01	October 20, 2023	0.02
763,890	0.00	December 22, 2023	0.01
4,200,000	0.01	October 14, 2023	0.03
37,403,770	0.05	April 29, 2025	1.12
2,911,000	0.00	April 29, 2025	0.09
269,945	0.00	April 29, 2025	0.01
1,714,285	0.00	December 22, 2025	0.07
17,602,143	0.02	December 22, 2024	0.44
332,400	0.00	December 22, 2024	0.01
919,909	0.00	December 22, 2025	0.04
713,714	0.00	December 22, 2024	0.02
<b>69,615,056</b>	<b>0.09</b>		<b>1.86</b>



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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The Company announced on August 5, 2022, the 1-year extension of warrants that will originally set to expire on August 23, 2022, and December 22, 2022.

### **11. RESERVES**

#### **Share-based payment reserve**

The share-based payment reserve records items recognized as share-based payments expense until such time that the share options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire or are forfeited or cancelled, the corresponding amount previously recorded remains in share-based payment reserve. The balance in the share-based payment reserve as on March 31, 2023, was \$659,319 (March 31, 2022 – \$417,537)

#### **Warrants reserve**

The warrant reserve records items recognized as warrants until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount previously recorded remains in warrant reserves. The balance in the warrant reserve as on March 31, 2023, was \$359,758 (March 31, 2022 – \$104,478).

### **12. CAPITAL DISCLOSURE**

The Company considers its capital structure to include cash and shareholders' equity. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to finance its operations using internally-generated cash flow and debt capacity; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire, or dispose of assets, or adjust the amount of cash and cash equivalents and receivables.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

### **13. ADDITIONAL CASH FLOW INFORMATION**

During the year ended March 31, 2023, and 2022, the Company incurred non-cash financing activities as follows:



## XANDER RESOURCES INC.

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

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	<b>March 31, 2023</b>		March 31, 2022
Non-cash financing activities:			
Fair value of options vested	\$ 431,364	\$	217,158
Fair value of options cancelled	124,147		43,064
Fair value of options expired	65,435		47,095
Fair value of warrants expired	13,295		-
Shares issued for exercise of conversion of debentures	13,125		-
Fair value of options exercised	-		37,557
Non-cash investing activities:			
Shares issued for exploration and evaluation assets	\$ 455,000	\$	563,330

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## 14. FINANCIAL INSTRUMENTS AND RISKS

### Fair Values

The Company's financial instruments consist of cash, marketable securities, accounts payable, Convertible Debentures and due to related parties. These financial instruments are classified as financial assets at FVTPL and financial liabilities at amortized cost. The fair values of these financial instruments approximate their carrying values at March 31, 2023, due to their short-term nature.

The following table presents the Company's financial instruments, measured at fair value on the statements of financial position as at March 31, 2023 and 2022 and categorized into levels of the fair value hierarchy:



**XANDER RESOURCES INC.**

Notes to the Financial Statements  
 For the year ended March 31, 2023 and 2022  
 (Expressed in Canadian dollars)

	Fair Value Measurements Using			Total \$
	Quoted Prices in Active Markets For Identical Instruments (Level 1) \$	Significant Other Observable Inputs (Level 2) \$	Significant Unobservable Inputs (Level 3) \$	
<b>March 31, 2023</b>				
<b>Assets:</b>				
Cash	995,097	-	-	995,097
Marketable securities	58,000	-	-	58,000
Taxes Receivable	82,287	-	-	82,287
<b>Liabilities:</b>				
Accounts payable	-	48,882	-	48,882
Due to related parties	-	120,066	-	120,066
<b>March 31, 2022</b>				
<b>Assets:</b>				
Cash	124,572	-	-	124,572
Taxes Receivable	-	13,616	-	13,616
Marketable securities	-	-	20,000	20,000
<b>Liabilities:</b>				
Accounts payable	-	126,908	-	126,908
Due to related parties	-	191,272	-	191,272
Convertible debentures	-	9,973	-	9,973

\*The fair value of the Company's financial assets and liabilities approximates the carrying amount.

**Risks**

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

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk by holding cash. This risk is minimized by holding cash in large Canadian financial institutions. This risk is assessed as low.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by management of its working capital to ensure its expenditures will not exceed available resources. This risk is assessed as high.



## **XANDER RESOURCES INC.**

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

---

d) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have foreign currency denominated financial instruments and is not exposed to foreign exchange risk.

e) Price risk

Price risk is the risk that the risk of a decline in the value of the Company's financial instruments. Although price risk can be mitigated by hedging, the Company currently doesn't apply any hedging techniques as the Company doesn't have securities that are subject to price fluctuation.

### **15. SEGMENTED INFORMATION**

The Company currently operates in a single reportable operating segment, the acquisition, exploration and development of mineral properties. All of the Company's assets and expenditures are located in Canada.

### **16. COMMITMENTS AND CONTINGENCIES**

The Company has certain commitments in connection with its mineral properties (Note 4).

On December 22, 2022, the Company entered into Flow-through Share Subscription Agreements whereby it was committed to incur the qualifying Canadian Exploration Expenses ("CEE") as described in the Income Tax Act of Canada until December 31, 2023, from the date of the subscription agreement. As at March 31, 2023, the Company has to incur \$577,743 in qualifying CEE as per the commitment (Note 8).

The Company has certain commitments with manager consultants related to key management compensation per month equivalent to \$15,000, \$5,000 and \$4,000 respectively (Note 7). Further, the Company has commitments with these managers in case they are terminated without just cause, due to disability, due to death, or due to a change in control. The Company is liable to pay any amount accrued for the managers' services that remain unpaid up to the date termination, any bonus approved by Board prior to the termination, and the replacement value equal to 24 months of insurance benefits that the director is receiving at the time of the termination. In addition, the Company is obligated to pay the sum equal to \$300,000 respectively. The Company has commitments to an additional two managers in the amount of \$9,000, should they be terminated without cause. However, the managers will not be entitled to receive any further amounts, including but not limited to, severance pay, notice, payment in lieu of notice or damages of any kind and the managers will have thereupon released all claims and entitlements thereto, without limitation.



## XANDER RESOURCES INC.

Notes to the Financial Statements  
For the year ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

### 17. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Net loss before tax	\$ (3,247,903)	\$ (2,183,737)
Statutory tax rate	27%	27%
Expected income tax recovery	(876,934)	(589,609)
Effect of share issuance costs not recognized	(86,573)	(797)
True-up on non-capital loss carry-forwards	214,861	(111,745)
Change in valuation allowance	632,177	643,518
Other	116,469	58,633
Income tax recovery	\$ -	\$ -

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

	March 31, 2023	March 31, 2022
Non-capital loss carry-forwards	\$ 947,788	\$ 775,304
Exploration and evaluation assets	78,127	480,316
Share issuance costs	875,504	13,622
	1,901,419	1,269,242
Valuation allowance	(1,901,419)	(1,269,242)
Net deferred tax asset	\$ -	\$ -

### 18. SUBSEQUENT EVENT

On April 17, 2023, the Company issued a total of 2,210,198 of its common shares at a deemed price of \$0.035 per share for an aggregate amount of \$77,356 pursuant to the settlement of the debt owed to two former officers and/or directors of the Company as part of their severance packages.